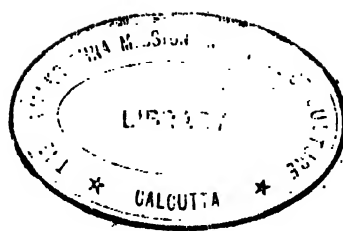


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Indian Finance Year-Book 1935

ANNUAL SUPPLEMENT TO
"INDIAN FINANCE"

Editor :

P. R. SRINIVAS

Managing Editor :

C. S. RANGASWAMI



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Indian Finance Year-Book

The *Indian Finance Year-Book*, 1935 is more than a routine endeavour to bring up-to-date the figures and statistics of earlier Year-Books. It has been revised in part and further enlarged in scope so as to make this annual publication approximate an organic whole.

A Year-Book is nothing if it is not as all-embrasive as is possible. And planning a Year-Book for Indian economic activity and economic statistics has to overcome the initial handicap of inadequate and dilatory statistical information as furnished by Government and by commercial bodies and interests.

The absence of complete economic statistics from official sources is, however, at once a handicap and an opportunity. We rather of such absence make this use :

It lends a lustre and more great opinion,

A larger dare to our great enterprise,

than if full facilities were available and full information were forthcoming.

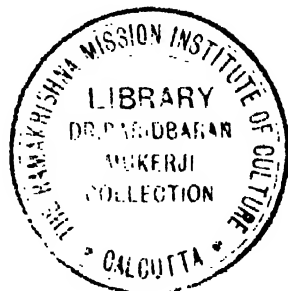
"The quality and hair of our attempt" is, thus, such that, at home and abroad, in business as also in academic circles, the *Indian Finance Year-Book* has won recognition as the completest and most up-to-date record of, and handiest reference book on, Indian economic events and statistics.

For which approbation, we are humbly grateful.

P. R. SRINIVAS,
Editor.

C. S. RANGASWAMI,
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NATIONAL FINANCES IN 1934-35

The year 1934-35 has in many ways justified our observations in the last issue of the Year Book. A year ago we observed that, generally speaking, the Central and Provincial Governments of India have left behind the period of heavy revenue deficits. We also pointed out that the fiscal system has to be re-fashioned with reference to a new era rather than on the model of the pre-depression period. The experiences of 1934-35 have tended to confirm the correctness of the views expressed. The principal provinces of India are nearer to a stable balancing of revenue and expenditure than in many of the earlier years of the depression period. The Government of India, too, have taken one significant step forward in the direction of suiting their financial system to the changed conditions. It has to be remembered that it is during this year that a large staple industry like iron and steel came in for an excise duty. Though one cannot overlook the fact that in the imposition of the revenue duties on imports and an equalising Excise Duty on internal production there is an element of unfairness to the Indian industry, with the increase of excise duties extending from sugar and matches to iron and steel is significant of the change which it was clear a long time ahead would be necessary in the Indian financial system. It is also significant that on the eve of the 1935-36 budget, there were rumours of various kinds floating in the principal cities of India that even the production of the Indian cotton mills would come in for an excise duty similar to that which is levied on sugar and steel. We do not mean to under-rate the danger of any levy on internal production, nor do we overlook the possibility that such an excise duty might tend to discourage internal production, and that, as in the case of iron and steel, it might serve as a handy instrument in the hands of the Government to reduce the handicap of the foreign competitor in the Indian market and to increase the difficulties of the indigenous producers. Nevertheless, we can hardly blink the fact that customs

revenue will continue to be a dwindling source of income to the Government and that the Indian financial system must be made to rest on other basis. With the direct taxes as they are now, India will have to turn more and more to excise duty on internal production. While the need for other sources of revenue may be recognised, it is by no means clear that the Government have been thinking out the problem on these lines. On the other hand, there is reason to think that the Government are indulging the hope that customs revenue may be made to revive and that the increase in the revenue of customs could serve the double purpose of restoring the stability of the central budget and helping the British export trade. The much-advertised devotion of the new Finance Member to the principle of free trade makes it necessary that during the coming years, the legislature will have to take good care to ensure that the policy of discriminating protection is adhered to, even at the cost of imposition of new levies on the comparatively well established Indian industries.

Whatever the trends in our financial system may be, it is a matter for congratulation that the year 1934-35 marked a considerable advance from the days of unbalanced budget and heavy taxation. The budget for the new year not only revealed such as improvement in the general budget but the Finance Member mustered courage to afford relief in the matter of super-taxes. At the same time, he has also been able to forego the revenue derived from the export duty on raw skins. What is even more important, the Government of India have found it possible to set apart a considerable sum of about three crores for the purpose of reconstructing Bihar after the tremendous devastation caused by the earthquake of 1934. These should suffice to convey to the average reader the idea of the general improvement in our financial position. We may now turn to detail the results announced in the first budget of Sir James Grigg.

INDIAN FINANCE YEAR-BOOK, 1935

At the time of last year's Budget Sir George Schuster expected that the revised estimates for 1933-34 would leave a surplus of Rs. 1.29 crores. The actuals show a surplus of Rs. 2.72 crores, the improvement being due to:—

First, the fact that a somewhat unusual number of holders of Government securities failed to draw their interest; secondly, the fact that recoveries from commercial departments were larger than expected; thirdly, forestalling in anticipation of an increase in the Salt Duty; and fourthly, the fortunate non-realisation of the exception of reduction on receipts on Income-Tax on areas affected by the earthquake of January 1934.

As planned by Sir George, the surplus was to be utilised for financial assistance in connection with the earthquake. Sir James now estimates the liability in this regard at Rs. 2.10 crores. The net surplus is, therefore, Rs. 62 lakhs.

Revised estimates for 1934-35 (excluding railways) compare with budget estimates as under:—

	(in lakhs)	
	Budget 1934-35	Revised 1934-35
Revenue	... 87.13	91.00
Expenditure	... 87.03	87.73
Surplus	... 10	3.27

The surplus is, in the main, due to customs. At the end of March, 1935, Sir James hopes to have in hand two surpluses, one for 1933-34 of Rs. 62 lakhs and one for 1934-35 of Rs. 3.27 crores making Rs. 3.89 crores, in all. Of this, Rs. 1 crore is to be given as grant to provinces for schemes in rural areas (including the development and strengthening of the co-operative movement); Rs. 40 lakhs will be given as a special contribution to the Road Development Fund; Rs. 25 lakhs will be set aside for schemes of development in the Northwest Frontier Province; Rs. 20 lakhs will be used for development of broad-casting. After these special grants, the balance will be Rs. 2.04 crores."

Out of this sum of Rs. 2.40 crores, Rs. 93 lakhs will be devoted to the Civil Aviation programme and Rs. 36 lakhs to the transfer of Pusa Institute to Delhi. The balance will go as additional allotment for the redemption of debt.

Turning to the budget figures of 1935-36 the revenue was put on the basis of the tax existing at Rs. 90.19 crores and expenditure at Rs. 88.69 crores thus leaving a surplus of Rs. 1½ crores. The reduction of the duty on silver of annas two per ounce and the

abolition of the export duty on skins however reduces the surplus to Rs. 1.42 crores. The removal of the surcharge on income tax and super-tax would, it is estimated, cost Rs. 3.34 crores and the removal of the tax on incomes between Rs. 1,000 and Rs. 2,000 would cost a further Rs. 75 lakhs. It was because the sacrifice of Rs. 4.09 crores on this account would be more than the Government could afford that Sir James decided that these two surcharges and the quasi-surcharge should be reduced by one-third, thus bringing the loss on revenue to Rs. 1.36 crores. There is thus a nominal surplus of Rs. 6 lakhs left according to present estimates for the year 1935-36.

The reception accorded to Sir James Grigg's first budget was generally of an encouraging kind, though, for reasons predominantly political, the Assembly managed to get the Finance Bill defeated. The budget, in fact, hardly gives rise to any crucial questions of policy. It is true that the proposals announced by Sir James Grigg contained in the danger of the policy of discriminating protection being abandoned in favour of an ostensible free trade. But, the danger is only in an recipient form and no proposal in this direction is included in the budget. From the purely financial standpoint, it is encouraging to find that Sir James Grigg is in favour of making increased provision for Debt Redemption as soon as circumstances permit. The fact that the actual surplus for 1933-34 amounted to as much as Rs. 2.72 crores shows that the cut in the provision for Debt Redemption, which was effected with such specious plea by Sir George Schuster, is being made up to a very considerable degree.

By far the most hopeful aspect of the new budget is the promise which Sir James has given of a reorganisation of the system of taxation in India. It is well-known that a study of the India taxation system is long overdue and that what we have at present is not the result of any careful planning on the part of the Government but the mere resultant of a number of expédients resorted to from time to time. A reorganisation is called for, not only because of the injustices that have crept into the system, and the threat of instability which it holds out to the Government's finances, but also because of the new constitution which would entail with for the Central as well as the various units a great deal of financial embarrassments. The study of federal finance, which has progressed in India what time the Indian constitution has been under consideration by the British Government, has so far not resulted in any clear-cut suggestions which

will produce a scientific system and will keep assured the centre and the provinces of revenue sufficient for their respective purposes. Sir James Grigg himself is satisfied that little progress can be made in India, either financially or otherwise, till the system of taxation has been re-examined and remodelled in the light of such examination. An enquiry into taxation will also have a wider economic value and it is to be hoped that such a study will be undertaken without delay and that the conclusions will prove to be of a highly practical value. The improvement in the position of the Provincial Governments is not, it must be confessed, as marked as in the case of the Central Government. But it must be recognised that any improvement in the case of the financial position of the Provincial Governments cannot be considered to be an index of the general economic prosperity. Most provinces are labouring under the accumulated financial embarrassments of earlier years, and those which have tended their finances carefully both in prosperity and adversity have indeed been able to continue and even improve upon their previous effort. Thus Madras continues to show a fair balance between expenditure and revenue and in this case it is remarkable in as much as the Government have been called upon to make considerable sacrifices in revenue especially in respect of land. In the Punjab, too, the period of revenue surplus has continued and

the Government have been able to realise during the three years for which the figures are given at the time of the last budget, to realise a fair surplus. Bihar and Orissa cannot actually be expected to make both ends meet, as the Government have got to incur during these years the expenditure of repairing the damage caused by the earthquake, and it is to be noted that the grant of over Rs. 2 crores from the Government of India for earthquake relief has only served to keep the deficit within tolerable proportions. The same has to be said though with far less justification of the Bengal Government. We have for years characterised the policy of the Finance Department in this province as one of waiting for a windfall, and it must be said, whether as testimony to the prescience of Bengal's Finance Member or as a simple statement of fact, that such windfall has at last befallen them. But it has not enabled the Bengal Government to produce a balanced budget. The utmost that they can claim to-day is that, if they were able to avoid the extra expenditure of more than Rs. $\frac{1}{2}$ crore on the separation of terrorism, Bengal would be enabled to reduce her deposit to Rs. 64 lakhs. In other words, in the absence of further relief from outside and with the continuance of the fresh taxation to the extent of Rs. 36 lakhs, Bengal would continue for sometime at least to incur a deficit of Rs. 62 lakhs.

Statement of the Receipts and Disbursements of the Central Government, in India and in England—(Contd.)
(In Thousands of Rupees)

Accounts, 1929-30 Accounts, 1930-31 Accounts, 1931-32 Accounts, 1932-33 Accounts, 1933-34 Revised, 1934-35 Budget, 1935-36													
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts
Principal Heads of Revenue—													
Customs	50,30,15	45,87,37	45,53,17	...	51,02,23	...	46,17,85	...	50,07,90	...	50,89,06	...	...
Taxes on Income	15,98,76	15,25,61	16,74,89	...	17,19,81	...	16,30,36	...	16,39,55	...	15,48,43	...	...
Salt	5,49,50	5,56,80	7,42,24	...	8,95,84	...	7,70,91	...	7,89,25	...	7,55,12	...	...
Opium	2,55,28	1,78,91	1,27,64	...	5,99	...	88,15	...	35,42	...	25,35	...	...
Other Heads	1,62,25	1,39,03	1,61,45	...	1,27,10	...	1,25,49	...	1,31,60	...	1,31,67	...	...
TOTAL	73,95,94	69,87,72	72,59,39	...	78,50,97	...	72,32,76	...	75,53,72	...	75,29,63	...	...
Forest and other Capital outlay charged to Revenue	...	5,13	4,02	...	66	...	2,37	...	89	...	1,14	...	49
Irrigation	...	20,02	30,73	...	8,72	...	3,76	...	3,99	...	5,77	...	5,43
Railways	6,11,86	5,73,57	...	...	...	...	...	...	...	...	...	...	...
Posts and Telegraphs	...	81,18	1,55,37	...	41,71	...	46,46	...	56,67	10,24	...	...	15,94
Debt Services	...	12,18,07	14,03,71	...	17,31,44	...	16,58,00	...	10,65,74	...	11,16,58	...	12,56,57
Civil Administration	...	11,49,32	12,36,93	...	11,23,11	...	8,82,11	...	8,77,40	...	10,65,34	...	9,24,38
Currency and Mint	1,99,48	27,34	1,02,52	...	1,64,96	...	74,11	...	55,14	...	74,45	...	...
Civil Works	...	2,35,62	2,35,47	...	1,96,26	...	1,53,79	...	1,71,30	...	2,22,30	...	2,02,02
Miscellaneous	...	3,50,02	3,34,43	...	2,77,24	...	3,30,29	...	3,42,31	...	3,62,83	...	3,89,13
Military Services	...	55,10,00	54,30,00	...	51,76,00	...	36,74,00	...	44,42,48	...	44,34,26	...	44,98,00
Provincial contributions and Miscellaneous adjustments between Central and Provincial Governments	8	...	...	...	...	...	96,05	...	1,00,00	...	2,94,90	...	3,04,94
Extraordinary Items	1,88,88	83,53	18,50	...	...	...	2,46,09	...	1,03,25	...	...	...	1,36
GRAND TOTAL	85,96,19	85,69,86	76,72,21	88,90,66	73,80,41	85,5514	80,15,93	78,60,74	73,06,87	76,19,10	76,06,37	76,04,08	75,98,26

Abstract Statement of the Receipts and Disbursements of the Central Government, in India and in England

(In Thousands of Rupees)

	Accounts, 1923-24		Accounts, 1924-25		Accounts, 1925-26		Accounts, 1926-27		Accounts, 1927-28		Accounts, 1928-29	
	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges	Net Receipts	Net Charges
Surplus or Deficit	...	...	5,08,25	...	3,81,18	...	...	...	...	...	...	31,51
Capital Accounts—												
Capital outlay on Security Press	...	...	...	...	...	16,40	...	16,50	...	...	...	—4,76
Railway Capital not Charged to Revenue	...	...	...	...	...	22,72,70	...	29,85,93	...	33,14,09	15	29,35,07
Payment for discharge of Railway Debentures	...	...	...	...	...	—97	...	—70	...	...	...	...
Construction of Irrigation Works...	...	13	...	...	...	...	...	...	...	...	...	36
Capital outlay on Posts and Telegraphs	...	75,21	...	1,17,56	...	2,23,54	...	32,59	...	46,88	...	53,83
Capital outlay on Vizagapatnam Port	...	...	...	...	...	64,77	...	31,86	...	29,05	...	29,28
Capital outlay on Lighthouses and Light Ships	...	...	...	...	...	...	...	...	...	...	...	...
Currency Capital outlay	...	...	...	...	...	...	...	...	...	...	...	...
Initial Expenditure on New Capital at Delhi	...	1,54,74	...	1,42,19	...	99,06	...	61,63	...	46,58	...	3,37
Payment of committed value of Pensions	...	...	...	...	...	...	...	28,85	...	44,26	...	36,65
Capital outlay on Bombay Land Scheme	...	...	...	...	...	...	...	...	...	20,74	...	36,09
Payments to Retrenched Personnel	...	...	...	...	...	...	...	...	...	...	...	...
Debt Deposits Advances and Remittances—												
Permanent Debt	37,13,70	...	11,74,77	...	...	4,03,35	3,81,66	...	4,38,88	...	28,01,91	...
Floating Debt	...	19,46,70	...	2,11,80	...	25	12,72,14	8,18,00	...	1,94,60	3,62,25	...
Unfounded Debt	9,80,07	...	8,96,12	...	13,45,31	...	23,75,26	...	11,86,63	...	8,40,95	...
Deposits and Advances	7,19,17	...	2,32,84	...	15,51,71	...	...	...	12,89,97	...	3,17,90	...
Loans and Advances by Central Government	...	...	...	...	...	...	...	...	...	...	...	...
Loans between Central and Provincial Governments	...	3,25	...	1,22,69	...	8,92,45	...	5,88,77	...	7,77,48	...	12,72,24
Remittances	...	10,12,12	...	8,86,61	...	...	...	...	...	...	...	...
Balances of Provincial Governments	...	70,67	...	1,13,36	...	85,91	1,21,88	...	19,22	...	75,66	...
Opening Balance	3,67,86	...	...	2,64,95	...	3,20,25	...	4,35,26	...	4,78	...	56,84
Closing Balance	35,78,00	...	41,52,05	45,25,29	...	45,25,29	40,19,51	32,18,88	...	16,70,97	...	16,19,88
	...	41,52,05	...	45,25,29	...	40,19,51	...	31,11,10	...	16,70,97	...	...
TOTAL	95,97,80	95,97,80	74,02,34	74,02,34	80,76,97	80,76,97	81,18,45	81,18,45	61,53,58	61,53,58	60,69,79	60,69,79

Revenue Government of Madras Since 1923-24 (In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Taxes on Income	10,82	1,57	4,27	4,64	5,94	5,48	7,27	6,73	...	...	...	...	...
Land Revenue	5,86,78	6,15,06	6,39,79	6,22,00	6,23,77	5,24,39	5,21,06	4,88,62	5,32,73	5,02,37	6,96,34	6,99,01	7,36,94
Excise	5,18,87	4,90,14	4,94,35	5,10,53	5,34,37	5,58,76	5,92,26	5,24,28	4,25,80	4,26,96	4,28,83	4,23,07	4,23,71
Stamps	2,34,05	2,41,56	2,45,08	2,52,30	2,50,11	2,51,17	2,50,92	2,34,71	2,34,93	2,41,58	2,28,11	2,17,34	2,17,84
Forest	54,16	55,74	51,81	56,24	53,44	61,55	68,56	52,69	45,32	49,72	41,58	44,74	44,09
Registration	36,86	37,90	38,61	40,53	39,06	34,12	35,58	31,30	30,73	33,40	31,15	31,40	31,45
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	14,41,54	14,41,92	14,73,91	14,86,24	15,06,69	14,35,97	14,70,65	13,38,35	12,69,51	12,54,32	14,23,01	14,15,56	14,54,03
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	1,02,34	88,74	96,35	91,27	86,62	1,83,41	1,88,65	1,86,01	1,91,62	2,09,07	7,82	8,00	7,88
Interest Receipts	11,18	12,80	16,21	20,86	25,17	34,27	40,88	42,52	30,76	29,66	33,42	25,68	23,52
Civil Administration	63,75	61,51	60,81	60,25	63,78	68,62	74,94	72,17	98,02	1,08,36	1,01,29	1,11,98	1,11,86
Civil Works	6,62	5,92	9,67	8,37	9,25	13,06	11,52	24,89	22,46	20,55	21,84	25,80	33,40
Miscellaneous	13,27	15,54	18,09	16,69	13,85	17,69	22,13	19,95	17,48	18,27	15,63	15,54	18,89
Contribution to the Central Government	-3,48,00	-3,48,00	-2,21,98	-1,65,19	...	...	...	...	...	...	...	...	...
Provincial Government	...	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustment between Central and Provincial Governments (net)	8,68	60	38	...	-5,51	...	...	...	...	...	...	...	...
Extraordinary Receipts	...	...	17,90	...	...	...	...	...	...	...	...	...	...
Transfers from Revenue Reserve Fund	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	12,99,88	12,79,03	14,71,34	15,18,49	16,99,85	17,53,02	18,08,77	16,83,89	16,29,85	16,40,23	16,03,01	16,02,56	16,49,08
Revenue in England with Exchange	...	...	1	1	1	9	10	4	3	2	4	1	1
TOTAL REVENUE	12,99,38	12,79,03	14,71,35	15,18,50	16,99,86	17,53,11	18,08,87	16,83,93	16,29,88	16,40,25	16,03,05	16,02,57	16,49,09

Expenditure—Government of Madras Since 1923-24
(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	40,89	37,22	38,15	38,96	39,16	30,73	28,80	28,45	25,51	19,89	19,88	19,65	18,19
Excise	27,93	26,62	47,12	42,69	42,96	43,67	45,19	46,88	36,57	38,24	32,94	33,61	33,37
Stamps	5,27	5,32	5,62	5,78	6,25	6,71	7,67	5,96	6,06	6,68	5,71	5,67	5,66
Forests	46,06	39,22	42,38	44,52	42,31	41,80	43,81	42,50	38,36	38,59	35,21	34,98	37,38
Registration	22,64	23,84	24,75	25,58	26,34	27,04	29,08	29,51	28,17	26,67	28,65	29,33	29,41
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	1,42,29	1,32,22	1,38,02	1,57,53	1,57,02	1,50,04	1,54,14	1,52,80	1,34,67	1,25,07	1,22,34	1,23,24	1,26,46
Forest and other Capital outlay charged to Revn.	...	2,91	4,16	5,48	5,38	4,77	4,31	4,27	2,98	6,43	6,51	6,52	6,49
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	78,85	80,30	88,34	93,90	97,34	1,05,82	1,23,71	1,27,47	1,32,18	1,26,88	92,89	98,43	93,28
Debt Services	6,60	28,11	40,24	45,18	53,68	58,06	39,33	21,30	17,45	11,56	97,44	95,65	95,58
Civil Administration	8,16,19	8,44,32	8,61,81	8,85,35	9,24,80	10,08,48	10,45,41	11,06,95	10,16,16	9,83,68	10,04,26	10,28,74	10,42,61
Civil Works	99,04	77,19	95,54	1,10,36	1,40,27	1,58,73	1,82,04	2,34,92	1,89,43	1,58,09	1,44,32	1,35,04	1,41,51
Miscellaneous	85,67	81,00	81,93	73,89	78,15	83,07	86,93	95,43	88,83	1,13,00	89,40	89,76	94,51
Extraordinary Items	...	22,92	...	...	...	...	...	...	...	...	...	...	...
Total Expenditure in India	12,28,17	12,68,97	13,30,04	13,71,69	14,56,64	15,68,77	16,85,87	17,43,14	15,81,70	15,24,71	15,57,16	15,77,38	16,00,44
Expenditure in England with Exchange	34,90	39,53	42,95	45,33	41,49	45,20	48,91	46,55	42,77	38,33	39,65	44,22	43,80
TOTAL EXPENDITURE	12,63,07	13,08,50	13,72,99	14,17,02	14,98,13	16,13,97	16,84,78	17,89,69	16,24,47	15,63,04	15,96,81	16,21,60	16,44,24

Revenue—Government of Bombay Since 1923-24.

(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Taxes on Income	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	5,08.89	5,16.53	5,41.11	4,66.94	5,23.10	4,84.68	4,79.73	4,74.45	5,01.31	4,71.24	3,85.10	3,77.57	3,82.43
Excise	4,84.59	4,42.98	4,15.33	4,09.39	3,96.21	3,92.26	4,07.89	3,94.35	3,26.55	3,50.85	3,64.37	3,36.39	3,52.07
Stamps	1,79.89	1,78.06	1,76.35	1,67.58	1,75.40	1,68.39	1,77.15	1,58.06	1,50.28	1,58.56	1,56.35	1,55.00	1,56.00
Forest	71.50	73.08	75.28	76.56	72.94	73.43	79.75	52.24	59.71	59.71	51.30	53.50	51.20
Registration	12.87	12.49	12.78	12.04	11.82	11.75	12.33	10.89	11.36	12.54	16.21	16.27	16.80
Scheduled Taxes	9.40	9.04	15.36	19.55	21.20	21.52	20.21	16.39	16.10	18.77	19.05	18.34	18.38
TOTAL	12,17.14	12,32.18	12,86.15	11,32.06	12,00.76	11,52.03	11,75.87	10,16.38	10,65.63	10,72.06	9,95.45	9,57.10	9,76.33
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	54.02	53.28	42.11	40.24	42.94	63.72	46.80	33.12	58.40	71.73	67.76	76.89	71.59
Interest Receipts	1,02.92	1,32.67	1,65.80	1,68.13	1,55.27	1,51.52	1,45.86	1,47.23	1,44.87	1,47.69	1,38.77	1,34.34	1,31.77
Civil Administration	56.36	53.37	57.77	59.10	56.04	76.91	82.51	89.77	95.49	1,40.88	1,04.07	99.50	1,00.22
Civil Works	17.89	15.42	16.13	14.33	31.70	33.71	52.93	53.06	72.53	62.04	60.81	46.96	52.46
Miscellaneous	32.85	27.74	30.67	31.51	33.82	38.87	82.93	33.92	35.43	44.99	60.46	50.23	55.01
Contribution to the Central Government by Provincial Governments	-56.00	-56.00	-34.69	-23.40	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments (net)	...	...	...	...	...	...	...	...	...	...	...	...	...
Extraordinary Receipts...	27.64	40.52	9.55	4.03	4	-4.00	-4	...	...	...	...	...	...
Transfer from Revenue Reserve Fund	...	...	...	2.58	7.91	1.96	3.56	7.03	9.60	25.75	33.94	46.15	73.28
TOTAL Revenue in India...	14,52.82	14,99.18	15,24.18	14,58.07	15,31.18	15,21.72	15,91.42	13,80.54	14,81.95	15,25.09	14,60.68	14,20.17	14,60.86
Revenue in England with Exchange	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL REVENUE	14,52.82	14,99.18	15,24.18	14,58.07	15,31.18	15,21.72	15,91.53	13,80.86	14,82.01	15,25.17	14,60.74	14,28.19	14,60.87

Expenditure—Government of Bombay Since 1923-24
(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	1,82,13	61,99	63,98	65,51	66,48	64,77	66,08	64,93	69,86	66,76	62,84	62,23	64,31
Excise	35,28	40,15	54,03	63,92	47,94	46,32	44,25	41,68	39,61	46,78	48,16	45,63	43,99
Stamps	3,88	43	1,26	1,75	1,92	2,67	2,65	2,42	2,34	2,42	2,26	2,50	2,84
Forest	43,33	42,69	40,54	40,94	40,53	41,25	43,27	40,65	40,06	35,13	32,14	31,50	32,02
Registration	6,63	6,75	6,63	6,64	6,33	6,55	6,64	6,38	6,29	6,02	6,06	6,20	6,40
Scheduled Taxes	18	18	81	19	20	20	21	21	31	24	29	22	28
TOTAL	2,70,93	1,52,19	1,66,62	1,78,95	1,63,03	1,61,76	1,63,10	1,56,27	1,58,47	1,56,35	1,51,75	1,43,14	1,49,14
Forest and other Capital outlay Charged to Revenue	...	...	2,03	2,22	2,43	2,33	2,22	1,76	58	1,10	64	59	64
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	1,00,04	91,35	94,05	93,50	1,05,20	99,05	1,12,24	99,73	86,04	1,07,66	1,40,03	1,35,86	1,40,03
Debt Services	1,55,07	2,01,91	2,76,90	2,49,51	2,25,38	2,18,31	2,13,73	1,89,28	2,30,51	2,29,23	2,29,67	2,21,24	2,20,60
Civil Administration	6,40,65	7,62,31	7,87,55	7,35,75	7,85,77	8,05,22	8,26,10	8,33,65	8,05,31	7,50,39	6,59,34	6,33,46	6,72,63
Civil Works	96,81	90,77	90,28	1,20,84	1,47,35	1,45,96	1,40,26	1,54,41	1,13,32	93,40	92,62	91,53	98,18
Miscellaneous	1,27,08	1,40,38	1,56,21	1,46,89	96,58	80,60	82,63	87,42	93,76	1,13,03	1,24,91	1,33,44	1,39,43
Extraordinary Items	...	...	...	...	...	...	...	...	...	3,24	2,73	1,26	28
Total Expenditure in India	13,90,58	14,39,41	15,73,73	15,79,96	15,25,76	15,13,28	15,40,28	15,22,52	14,88,31	14,59,42	14,01,71	13,95,52	14,20,38
Expenditure in England with Exchange	32,87	33,16	41,79	43,71	37,50	42,37	40,52	39,39	41,08	39,53	42,02	41,38	41,70
TOTAL EXPENDITURE	14,23,45	14,72,57	16,15,32	16,23,67	15,63,26	15,55,60	15,80,80	15,61,91	15,29,39	14,98,95	14,43,73	14,36,90	14,62,63

Revenue—Government of Bengal Since 1923-24

(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Taxes on Income	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	3,13,02	3,10,74	3,00,57	3,11,18	3,15,12	3,26,76	3,24,74	3,08,93	3,06,22	3,00,06	2,12	1,00	1,00
Excise	2,09,85	2,15,07	2,28,03	2,25,17	2,24,31	2,24,91	2,26,25	1,80,16	1,56,00	1,40,32	3,21,14	3,32,49	3,25,89
Stamps	3,16,75	3,36,68	3,57,98	3,31,60	3,46,81	3,54,88	3,31,97	3,12,96	2,71,09	3,13,01	1,84,06	1,87,10	1,89,00
Forest	22,61	24,75	28,57	31,24	33,49	31,18	30,32	23,12	16,94	15,12	2,87,14	2,94,00	2,95,00
Registration	24,49	25,85	38,92	38,50	40,17	39,94	31,69	28,72	19,33	18,47	15,03	17,51	18,08
Scheduled Taxes	23,78	21,52	19,81	16,91	19,47	16,99	16,29	13,00	13,04	13,80	19,67	24,00	25,00
Total	9,10,45	9,34,61	9,73,88	9,34,00	9,79,37	9,94,66	10,21,43	8,61,88	7,87,99	8,04,32	7,90,38	8,18,60	8,16,42
Railways	98	98	81	1,24	2,45	1,02	1,19	92	76	81	28	58	55
Irrigation	...	...	...	...	...	...	...	...	...	...	...	...	...
Interest Receipts	3,44	3,40	41	45	—4,62	—1,19	—2,65	—2,09	—53	—2,30	—1,33	—3,56	—2,18
Civil Administration	3,12	3,48	3,19	4,11	6,29	6,24	6,13	4,67	4,30	6,13	5,42	6,01	5,65
Civil Works	66,86	61,94	62,45	61,03	68,86	77,35	82,41	71,53	75,24	87,66	84,07	88,92	89,95
Civil Works	5,85	6,57	5,82	6,03	6,61	5,54	5,25	10,86	17,35	15,76	12,49	14,28	19,66
Miscellaneous	22,43	21,41	23,62	20,20	18,34	12,90	17,04	16,48	15,31	21,44	13,61	11,25	13,04
Contribution to the Central Government by Provincial Govts.	...	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Govts.	...	...	...	...	...	...	...	...	...	...	...	...	...
Extraordinary Receipts	3	2,03	...	...	1,59	...	...	...	...	2,14	...	1,12,77	1,58,16
Transfer from Reserve Fund	...	...	...	...	2,41	49	5,06	2,17	53	2,10	85	2,82	1,07
Total Revenue in India	10,13,16	10,34,37	10,70,18	10,56,66	10,81,30	10,97,01	11,35,89	9,65,92	9,01,00	9,38,11	9,05,77	10,51,62	11,02,32
Revenue in England with Exchange	...	—13	—1	—30	—1	1,66	—2	35	6	—7	—4	2	1
TOTAL REVENUE	10,13,16	10,34,24	10,70,17	10,56,36	10,81,29	10,98,67	11,35,87	9,66,27	9,01,06	9,38,04	9,05,73	10,51,64	11,02,33

Expenditure—Government of Bengal Since 1923-24
(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	23,05	30,82	35,59	38,48	38,45	46,73	45,09	45,36	41,24	37,76	37,38	38,55	36,98
Excise ...	13,17	12,88	26,04	24,93	23,87	22,93	22,26	21,80	19,55	17,00	17,54	17,00	18,43
Stamps ...	10,30	9,47	8,68	8,43	8,93	9,00	6,23	5,23	4,10	4,61	4,90	5,04	5,24
Forest ...	12,43	14,02	12,34	13,90	14,40	15,78	15,47	15,17	14,96	14,48	14,19	14,52	15,50
Registration ...	17,79	18,08	18,73	18,76	20,71	20,25	22,13	19,95	18,94	17,47	17,51	17,76	18,55
Schedule Taxes ...	16	15	15	15	15	15	15	16	15	15	5	5	5
TOTAL ...	81,90	85,42	1,01,53	1,04,65	1,06,51	1,14,84	1,11,33	1,07,67	98,94	91,47	90,92	92,92	94,80
Forest and other Capital outlay charged to Revenue ...	...	...	13	3,23	2,62	1,01	1,17	78	1,64	61	25	35	29
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	54,54	35,80	30,89	35,12	35,17	36,92	34,13	30,73	29,02	28,75	31,05	32,82	34,31
Debt Services ...	-6,32	-8,38	-8,48	-7,44	-7,17	-7,92	-1,68	23	1,10	13,49	10,22	86,27	28,80
Civil Administration ...	6,55,87	6,69,13	6,80,43	7,07,21	7,09,72	7,29,86	7,54,92	7,73,99	7,50,18	7,24,12	7,39,28	7,42,40	7,69,95
Civil Works ...	92,81	95,30	1,10,12	1,11,37	1,01,06	97,32	94,54	1,01,40	88,43	76,25	76,20	85,65	93,73
Miscellaneous ...	71,98	68,00	79,10	75,49	37,74	80,57	97,53	84,29	89,26	91,89	93,87	1,02,86	1,06,74
Extraordinary Items ...	...	...	...	...	...	...	...	...	...	...	...	2,50	...
Total Expenditure in India ...	9,50,78	9,45,27	9,94,02	10,29,63	10,45,65	10,52,63	10,91,94	10,99,18	10,58,57	10,27,58	10,41,79	10,75,77	11,28,62
Expenditure in England with Exchange ...	27,17	30,75	36,61	41,32	39,92	37,84	41,70	41,61	41,95	40,25	39,87	41,77	42,85
TOTAL EXPENDITURE ...	9,77,95	9,76,02	10,30,63	10,70,95	10,85,57	10,90,47	11,33,64	11,40,79	11,00,52	10,67,83	10,81,66	11,17,54	11,71,50

Revenue—Government of the United Provinces Since 1923-24

(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Taxes on Income	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt	...	...	3	...	...	...	71	1,40	...	10	8	2	2
Land Revenue	6,92,22	6,71,08	6,90,25	6,87,07	6,92,56	6,04,38	6,85,83	6,47,09	6,12,41	5,70,76	5,58,28	5,88,64	5,80,54
Excise	1,30,90	1,30,50	1,32,72	1,31,00	1,40,97	1,30,86	1,30,85	1,12,22	1,08,23	1,22,29	1,80,92	1,31,62	1,32,00
Stamps	1,75,41	1,74,40	1,76,46	1,69,29	1,71,37	1,72,70	1,80,65	1,69,67	1,65,06	1,85,44	1,74,97	1,67,25	1,80,16
Forest	73,56	69,22	64,26	58,29	66,08	61,80	61,80	49,76	45,32	45,98	45,19	47,68	46,04
Registration	12,33	12,49	13,70	13,31	12,92	13,54	13,77	11,98	11,99	13,26	11,86	11,00	11,50
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	5,00
Total	10,84,42	10,57,69	10,77,42	10,50,86	10,83,90	9,83,28	10,72,61	9,93,02	9,43,40	9,37,83	9,21,20	9,46,21	9,55,26
Railways	2,09	2,14	2,07	84	2,23	1,87	1,85	1,45	86	1,00	1,29	1,44	1,44
Irrigation	99,06	66,27	85,32	99,35	97,88	84,99	1,27,36	1,00,71	97,61	1,29,13	1,20,75	1,07,98	1,33,04
Interest Receipts	13,55	13,19	12,90	9,23	11,76	10,29	16,92	15,26	13,33	12,64	12,21	14,13	12,80
Civil Administration	39,15	41,16	41,96	44,85	47,70	46,65	48,47	49,77	46,46	44,12	44,04	43,84	45,26
Civil Works	5,07	6,48	4,03	3,92	3,84	3,45	3,28	6,78	5,69	3,99	5,29	7,75	21,50(a)
Miscellaneous	23,68	46,41	46,33	41,11	38,06	14,25	27,85	20,28	13,96	16,85	18,85	17,57	17,40
Contribution to the Central Government by Provincial Governments	-2,40,00	-2,40,00	-1,83,83	-1,50,85	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments	13	1,25	45	-15	67	...	...	...	...	...	...	...	...
Extraordinary Receipts... Transfers from Revenue Reserve Fund	...	...	13	30,55	36	...	...	...	...	...	...	...	...
Total Revenue in India	10,31,15	9,99,59	10,86,68	11,38,71	12,86,40	11,44,78	12,98,34	11,96,27	11,21,31	11,45,06	11,23,63	11,38,92	11,86,70
Revenue in England with Exchange	-1	-6	...	...	-2	37	27	46	35	15	...	...	...
Total Revenue	10,31,14	9,99,53	10,86,68	11,38,71	12,86,38	11,45,15	12,98,61	11,96,73	11,21,66	11,45,21	11,23,63	11,38,92	11,86,70

(a) Due to subvention of Rs. 17,86,000 from Central Road Development Account.

Expenditure—Government of the United Provinces Since 1923-24

(In Thousands of Rupees)

	1923-24 ^a	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	80.88	79.46	81.73	85.94	86.62	90.61	92.62	95.52	88.16	73.89	74.23	74.00	75.87
Excise ..	6.63	6.14	15.09	12.79	13.13	13.41	13.26	12.81	11.30	10.76	11.53	11.65	12.80
Stamps ...	4.94	4.09	3.42	3.43	3.81	3.75	3.41	3.24	3.13	3.03	2.99	2.99	2.94
Forests ...	43.19	36.53	36.64	31.68	32.26	31.42	32.53	32.02	27.11	25.98	26.42	27.60	28.24
Registration ...	4.54	4.57	4.75	4.64	4.74	4.90	4.97	4.96	4.68	4.31	4.52	4.56	4.80
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ..	1,40.18	1,30.79	1,41.63	1,38.48	1,40.06	1,44.09	1,46.79	1,48.55	1,34.38	1,17.97	1,19.69	1,20.80	1,23.65
Forest and other Capital outlay charged to Revenue .	...	...	35	1.33	1.73	1.01	1.34	74	17	7	7	22	23
Railways ...	22	17	16	17	13	19	13	13	8	8	8	8	8
Irrigation ...	53.62	64.07	74.03	73.63	86.08	1,05.07	94.12	1,02.30	1,05.47	1,07.52	1,07.11	1,09.13	1,09.64
Debt Services...	20.50	29.79	33.09	41.06	59.59	62.28	66.75	80.96	77.31	82.21	50.54	46.50	45.99
Civil Administration ...	6,17.06	6,35.88	6,93.63	6,95.09	7,14.99	7,23.30	7,44.56	7,41.59	6,92.80	6,52.99	6,70.17	6,84.89	7,21.00
Civil Works ..	75.55	80.26	69.62	67.90	65.74	70.32	50.02	65.64	37.94	44.39	47.23	53.85	67.86
Miscellaneous...	1,03.13	71.60	63.12	70.33	67.17	82.95	88.41	92.37	91.55	84.49	88.60	89.23	91.55
Extraordinary Items ...	...	...	...	...	...	...	...	...	...	...	58	1.80	70
Total Expenditure in India ...	10,22.35	10,12.51	10,81.63	10,93.04	11,35.49	11,89.15	11,92.12	12,41.78	11,39.71	10,89.72	10,84.12	11,05.60	11,60.20
Expenditure in England with Exchange ...	25.15	29.98	35.80	40.76	39.33	39.34	41.08	45.99	43.93	40.21	42.63	42.09	43.89
TOTAL EXPENDITURE ...	10,47.50	10,42.49	11,17.43	11,33.80	11,74.82	12,28.49	12,33.20	12,87.77	11,83.69	11,29.93	11,26.75	11,47.69	12,04.09

Revenue—Government of Burma Since 1923-24

(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised Budget 1934-35 1935-36
Taxes on Income	38	5,90	8,92	14,31	14,93	12,90	11,40	10,36	3,58	..	...	...
Salt	...	...	...	...	...	...	...	...	4,89	4,66	2,05	1,35
Land Revenue	4,71,54	5,71,38	5,34,48	5,22,03	5,35,62	5,40,98	5,27,73	2,82,77	5,75,85	3,87,53	4,77,14	4,57,49
Excise	1,19,36	1,16,09	1,23,68	1,32,59	1,23,68	1,33,37	1,26,94	1,07,48	80,29	84,57	80,20	79,57
Stamps	57,89	62,45	66,59	65,84	70,05	70,65	69,34	59,48	59,11	53,36	46,12	48,09
Forest	1,77,58	1,81,85	2,09,62	2,17,36	2,07,88	1,60,75	1,87,82	1,44,07	1,06,41	87,46	80,00	74,99
Registration	5,50	5,80	6,37	6,39	7,02	6,48	6,40	6,42	7,01	5,02	3,94	3,99
Scheduled Taxes	...	...	...	...	...	4,57	4,15	3,06	10,95	10,77	10,03	10,61
TOTAL	8,82,25	9,48,47	9,40,66	9,59,72	9,59,18	9,28,40	9,33,78	6,13,64	8,48,09	6,33,42	6,99,48	6,76,99
Railways	86	-21	10	-2	-1	...	...	...	...	...	...	...
Irrigation	35,94	39,09	43,58	23,87	31,63	33,41	14,83	19,85	27,80	40,82	31,58	36,81
Interest Receipts	8,49	12,61	13,28	11,68	11,14	11,32	10,90	9,46	9,51	9,87	7,84	4,98
Civil Administration	26,77	34,23	34,33	36,67	44,43	49,48	54,59	52,44	49,65	47,49	50,77	46,82
Civil Works	10,38	13,10	9,26	13,12	21,52	24,41	8,85	16,02	15,01	10,88	12,98	10,70
Miscellaneous Contribution to the Central Government by Provincial Governments	7,63	7,81	5,49	10,02	5,23	7,06	5,20	9,31	9,49	29,06	21,75	20,27
Miscellaneous adjustments between Central and Provincial Government	-64,00	-64,00	-44,35	-50,23	...	...	...	...	...	...	...	...
Extraordinary Receipts... Transfers from Revenue Reserve Fund	-13	16	-1,39	...	-58	...	...	...	...	...	...	...
	...	...	8,78	3,20	-61	44	2,62	1,17	24	21	1,21	5
	...	...	...	...	...	...	...	...	...	...	...	6
Total Revenue in India ... Revenue in England with Exchange	8,58,19	9,85,76	10,18,94	10,06,63	10,72,08	10,54,52	10,30,77	7,21,89	9,59,82	7,80,75	8,25,61	7,96,65
TOTAL REVENUE	8,58,19	9,85,76	10,18,92	10,06,04	10,72,09	10,54,55	10,30,83	7,22,94	9,60,07	7,80,87	8,25,61	7,96,65

Expenditure—Government of Burma (In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income-Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	50,85	56,99	67,91	67,61	65,33	64,12	61,78	53,33	60,40	52,40	53,59	52,84	52,22
Excise	17,45	17,82	30,69	22,18	22,18	22,93	22,59	24,20	21,14	18,96	19,43	18,20	17,69
Stamps	1,34	1,43	1,39	1,50	1,78	1,76	1,59	1,89	1,29	1,25	1,06	1,09	1,00
Forest	99,72	92,96	77,05	79,08	75,01	60,13	65,04	64,03	-18,89	59,72	1,12,58	56,82	53,99
Registration	1,47	1,58	1,58	1,63	1,81	1,87	1,88	1,87	1,80	1,61	1,62	1,71	1,46
Scheduled Taxes	...	...	...	...	...	...	4	3	2	2	5	1	1
TOTAL	1,70,83	1,70,73	1,78,62	1,72,05	1,66,11	1,56,86	1,52,92	1,44,85	65,76	1,33,96	1,88,33	1,30,67	1,26,37
Forest and other capital outlay charged to revenue	...	...	...	...	...	...	...	...	...	...	...	...	...
Railways	-1,08,46	-46	8,03	8,41	9,06	14,35	7,69	6,40	-17,15	19	-12,87	5	17
Irrigation	51,88	52,29	67,72	57,80	60,22	43,14	36,04	36,77	...	28,59	28,13	29,04	33,05
Debt Services	-13,09	-18,54	-14,08	-25,11	-25,48	-20,73	-21,64	-16,09	5,58	13,23	51,99	3,80	23,87
Civil Administration	4,80,99	4,84,64	4,97,95	5,32,44	5,77,10	5,81,40	5,71,52	5,51,88	5,78,74	5,19,38	4,69,90	4,77,38	5,54,63
Civil Works	2,01,12	1,82,46	2,33,01	2,17,60	2,51,21	2,50,21	2,11,64	2,10,78	1,11,40	91,39	85,95	81,25	8,85
Miscellaneous	63,89	67,74	59,01	75,27	89,55	62,31	78,75	82,42	85,04	70,35	70,29	72,28	78,11
Extraordinary Items	...	...	...	31,61	11,63	1,52	28	...	2	4	...	...	1
Total Expenditure in India	8,46,96	9,43,86	10,30,41	10,85,37	11,39,39	10,89,06	10,37,20	10,17,01	8,29,39	8,57,13	9,11,72	7,94,47	8,20,05
Expenditure in England with Exchange	38,12	42,88	49,12	56,88	57,31	63,91	61,77	60,37	55,07	51,44	50,80	51,09	51,66
TOTAL EXPENDITURE	8,85,08	9,86,74	10,79,53	11,41,75	11,96,70	10,52,97	10,98,97	10,77,38	8,84,46	9,08,57	9,62,52	8,45,56	8,71,72

Revenue—Government of the Central Provinces and Berar Since 1923-24
(In Thousands of Rupees)

	1922-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Taxes on Income	...	...	...	...	...	...	...	...	...	...	...	...	...
Salt	3,42	2,30	1,36	2,18	1,72	2,23	2,74	2,65	8	1	...	...	...
Land Revenue	2,88,44	2,25,72	2,21,38	2,32,88	2,45,26	2,19,31	2,04,99	2,18,59	2,10,68	2,44,66	2,24,16	2,45,01	2,59,80
Excise	1,80,73	1,50,44	1,56,57	1,85,45	1,20,67	1,22,76	1,24,45	86,27	65,56	57,61	57,04	58,09	59,96
Stamps	67,28	68,34	71,05	61,45	65,20	68,72	67,18	59,19	55,55	57,22	58,03	54,00	58,00
Forest	51,05	52,38	49,88	53,21	50,78	54,46	59,97	51,12	44,47	42,90	44,06	46,79	47,15
Registration	6,62	6,79	6,66	6,48	6,57	7,30	7,00	5,35	4,79	5,10	5,04	5,00	5,10
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	4,97,54	5,05,92	5,06,90	4,91,65	4,90,40	4,75,78	4,67,33	4,28,17	3,81,09	4,07,50	3,88,38	4,08,89	4,29,51
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	1,63	91	92	1,92	1,23	-18	-26	3,20	-1,36	-1,47	1,36	1,64	1,00
Interest Receipts	5,14	3,30	2,72	2,49	3,77	3,82	2,86	4,18	3,22	4,72	4,00	4,76	4,31
Civil Administration	18,99	21,02	20,85	20,15	21,58	22,81	22,65	22,13	24,04	22,16	22,33	22,09	22,93
Civil Works	4,62	4,47	4,76	5,10	5,26	4,90	5,04	5,10	5,99	9,83	7,78	8,60	14,78
Miscellaneous	11,00	11,97	9,55	7,67	17,20	28,53	30,22	12,08	6,44	6,75	6,34	6,04	6,31
Contribution to the Central Government by Provincial Government	-22,00	-22,00	-13,00	-22,00	...	...	...	...	...	...	...	...	...
Miscellaneous adjustments between Central and Provincial Governments	+20	-25	1,99	-41	27	...	...	...	...	...	...	...	...
Extraordinary Receipts...	...	...	45	45	26	18	34	13	25	2	11	10	10
Transfers from Revenue Reserve Fund	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	5,17,12	5,25,34	5,35,14	5,07,02	5,39,77	5,35,48	5,28,18	4,69,99	4,19,67	4,49,51	4,30,23	4,52,12	4,80,58
Revenue in England with Exchange	...	...	...	...	...	4	6	7	28	28	...	...	...
TOTAL REVENUE	5,17,12	5,25,34	5,35,14	5,07,02	5,39,77	5,35,88	5,28,24	4,70,06	4,19,95	4,49,79	4,30,23	4,52,12	4,80,58

Expenditure—Government of the Central Provinces and Berar Since 1923-24
(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	46,29	23,80	25,00	26,64	28,74	29,22	28,91	28,67	22,37	18,89	17,98	18,48	18,51
Excise ...	9,51	7,44	21,02	17,85	14,75	12,93	11,43	11,70	9,30	8,12	10,00	9,34	9,88
Stamps ...	2,46	2,53	2,13	1,89	1,86	1,79	1,69	2,49	1,16	1,25	1,15	1,20	1,30
Forest ...	30,26	31,42	33,25	36,14	33,56	38,22	38,64	38,31	34,19	32,49	33,73	34,27	35,98
Registration ...	2,47	2,35	2,16	2,17	2,21	2,20	2,22	2,16	1,95	1,74	1,88	1,89	1,98
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	90,99	67,54	83,56	84,59	84,12	84,36	82,89	83,33	68,97	62,49	64,74	65,18	67,65
Forest and other Capital outlay charged to Revenue ...	...	...	2,42	2,52	2,00	2,21	1,12	1,29	34	24	26	12	16
Railways ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	23,01	25,60	26,60	28,00	27,48	29,32	29,59	30,61	31,30	32,10	32,40	30,34	30,30
Debt Services ...	3,43	2,41	1,55	23	4,43	3,83	—1,23	30	2,91	16,36	21,55	7,47	6,79
Civil Administration ...	2,24,68	2,42,42	2,51,18	2,66,11	2,62,18	2,79,92	2,70,51	2,71,01	2,48,35	2,30,16	2,36,46	2,38,88	2,47,14
Civil Works ...	68,19	63,85	75,80	1,02,12	1,06,93	96,37	81,68	69,92	51,37	51,18	52,86	58,85	63,93
Miscellaneous ...	74,88	72,14	73,51	71,33	29,06	39,80	56,40	37,88	34,69	33,29	41,19	42,86	44,72
Extraordinary Items ...	...	...	23	9	...	...	...	...	...	...	...	...	...
Total Expenditure in India	4,85,23	4,73,96	5,14,58	5,55,09	5,19,20	5,31,01	5,20,93	4,94,34	4,37,93	4,30,82	4,49,46	4,43,70	4,60,69
Expenditure in England with Exchange ...	9,19	14,30	17,74	19,29	18,47	18,97	21,54	19,89	19,72	18,61	19,45	19,46	19,51
TOTAL EXPENDITURE	4,94,42	4,88,26	5,32,32	5,74,38	5,37,67	5,50,01	5,42,47	5,14,23	4,57,65	4,49,43	4,68,91	4,63,16	4,80,20

Revenue—Government of Assam Since 1923-24
(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised Budget 1934-35	1935-36
Taxes on Income	...	...	...	...	...	...	...	...	2,42	1,69	1,72	2,20	2,20
Salt	4,16	5,54	5,29	4,92	5,62	6,63	5,53	4,84	64	73	25	15	15
Land Revenue	1,03,29	1,05,14	1,07,11	1,06,72	1,12,79	1,17,13	1,20,74	1,15,26	1,20,83	1,17,92	1,10,70	1,13,58	1,14,00
Excise	60,50	65,96	73,82	71,93	70,94	66,89	66,23	58,37	52,84	40,42	34,61	30,98	31,37
Stamps	19,84	20,65	22,22	23,36	23,50	22,01	19,78	19,49	19,16	18,01	17,26	17,55	17,55
Forest	19,74	24,79	30,39	31,67	36,14	37,68	35,20	12,63	19,27	16,16	14,57	13,53	13,37
Registrations	1,78	1,87	2,13	2,28	2,30	2,32	2,09	11,97	1,92	1,63	1,55	1,56	1,56
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	2,09,31	2,23,95	2,40,96	2,41,08	2,51,29	2,52,16	2,49,77	2,22,06	2,16,58	1,96,56	1,80,66	1,79,65	1,80,40
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	...	...	...	...	...	...	...	...	...	...	...	...	...
Interest Receipt	87	61	80	1,02	1,59	1,57	2,74	95	1,10	1,13	67	81	96
Civil Administration	8,52	9,66	9,13	8,53	9,06	12,09	12,70	13,10	12,80	11,38	11,40	11,17	11,63
Civil works	4,32	5,59	4,51	4,30	4,21	4,68	4,48	5,90	7,92	9,55	6,63	8,53	8,09
Miscellaneous	2,94	4,99	3,35	3,34	2,35	3,12	2,25	2,41	1,62	1,04	1,47	1,44	1,43
Contribution to the Central Government by Provincial Governments	-15,00	-15,00	-9,00	-15,00	...	...	...	...	...	...	...	8,49	9,00
Miscellaneous adjustments between Central and Provincial Government	+4	52	1	5	14	...	...	...	...	...	...	...	...
Extraordinary Receipts	...	...	...	...	...	...	...	...	...	...	...	...	...
Transfers from Revenue Reserve Fund	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	2,10,88	2,30,49	2,50,05	2,43,49	2,69,36	2,73,62	2,71,94	2,44,42	2,40,02	2,19,66	2,00,83	2,10,09	2,11,51
Revenue in England with Exchange	...	...	...	...	...	8	1	1	8	1	...	...	...
TOTAL REVENUE	2,10,88	2,30,49	2,50,05	2,43,49	2,69,36	2,73,70	2,71,95	2,44,43	2,40,05	2,19,67	2,00,83	2,10,09	2,11,51

Expenditure—Government of Assam Since 1923-24
(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	15,72	16,29	17,29	18,09	19,10	19,07	20,55	21,88	20,61	18,82	17,81	17,20	16,86
Excise ...	1,87	1,75	13,88	10,99	7,90	9,60	9,15	8,48	6,00	6,09	5,18	5,01	5,45
Stamps ...	93	92	90	92	97	91	61	59	46	40	40	41	44
Forests ...	11,39	13,19	14,64	13,27	12,92	19,53	20,43	19,50	15,46	13,66	11,97	11,85	11,34
Registration ...	1,31	1,32	1,33	1,41	1,52	1,57	1,74	1,70	1,01	1,47	1,46	1,46	1,58
Scheduled Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	31,22	33,47	48,04	44,68	42,49	50,71	52,51	52,15	44,14	40,44	36,77	35,93	35,67
Forest and other capital outlay charged to Revenue ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Railways ...	48	1,15	1,09	35	53	58	59	60	50	48	47	45	45
Irrigation ...	68	74	78	64	98	1,13	90	71	63	46	55	63	62
Debt Services ...	-66	-65	-68	-67	-75	-86	-1,02	-65	2,42	4,78	6,21	4,54	16,24
Civil Administration ...	97,63	1,02,12	1,11,58	1,18,19	1,24,61	1,29,88	1,36,58	1,39,59	1,31,07	1,21,81	1,29,79	1,37,92	1,41,42
Civil Works ...	37,13	37,40	39,53	40,43	58,05	67,64	77,17	57,57	41,18	39,87	35,03	41,77	40,46
Miscellaneous ...	14,83	19,03	17,19	18,59	14,78	14,85	18,52	16,54	16,62	17,74	16,00	19,67	21,35
Extraordinary Items ...	...	...	31	...	...	...	...	...	...	5	55	21	...
Total Expenditure in India ...	1,82,63	1,93,26	2,18,76	2,32,24	2,41,84	2,65,63	2,87,02	2,68,17	2,37,22	2,26,08	2,25,89	2,41,12	2,56,21
Expenditure in England with Exchange ...	7,99	7,03	9,45	10,97	9,68	9,54	10,70	10,76	10,51	10,39	10,48	11,16	11,18
TOTAL EXPENDITURE ...	1,90,02	2,00,29	2,28,21	2,43,21	2,51,52	2,72,17	2,97,72	2,78,98	2,47,73	2,36,47	2,35,87	2,52,28	2,67,34

Revenue—Government of the Punjab Since 1923-24
(*In Thousands of Rupees.*)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Taxes on Income	4,24	1,90	3,32	4,02	4,83	4,02	3,60	2,00	..	..	..	1.52	1,10
Land Revenue	3,64,40	3,53,68	3,07,13	3,21,26	3,00,15	2,77,93	2,57,76	2,69,43	2,22,46	2,67,65	2,50,40	2,83,04	2,71,63
Excise	1,04,18	1,18,96	1,28,12	1,24,31	1,17,73	1,21,86	1,15,07	1,11,32	94,50	92,10	94,36	98,39	98,62
Stamp	95,90	1,16,61	1,14,35	1,13,27	1,17,94	1,21,03	1,15,08	1,10,02	1,10,50	1,14,51	1,08,15	1,06,62	1,09,69
Forest	89,86	37,27	41,12	39,08	31,94	35,28	31,58	26,85	22,44	19,52	19,48	19,31	18,28
Registration	7,16	8,83	9,44	9,11	9,08	9,21	9,33	8,38	8,15	9,43	8,89	9,10	9,18
Scheduled Taxes	..	..	..	..	..	..	..	..	..	..	..	..	..
TOTAL	6,19,74	6,37,25	5,98,98	6,11,05	5,81,67	5,68,83	5,32,42	5,25,20	4,58,05	5,03,21	4,81,28	5,17,98	5,08,75
Railways	..	..	..	..	..	..	..	..	..	..	..	..	..
Irrigation	3,92,21	4,30,13	4,57,08	3,80,08	0,48,33	3,74,39	3,94,45	3,61,59	3,80,83	3,67,88	4,42,21	4,14,03	4,09,41
Interest Receipts	5,04	5,91	11,76	8,79	10,39	8,59	9,70	10,02	9,53	9,88	9,49	10,79	9,08
Civil Administration	41,50	40,74	40,99	45,50	52,75	574,9	60,23	54,93	65,59	64,71	65,80	66,01	67,28
Civil Works	4,64	5,32	5,80	4,89	8,60	6,35	7,01	9,74	17,92	19,78	19,45	17,82	23,67
Miscellaneous	27,80	33,80	2,22,96	26,72	28,36	27,54	35,70	38,08	26,78	21,18	19,79	21,27	20,97
Contribution to the Central Government by Provincial Governments	-1,75,00	-1,75,00	1,13,84	-85,73	..	..	..	..	..	..	..	..	..
Miscellaneous adjustments between Central and Provincial Governments	-1	18	44	..	28	..	..	..	..	..	..	..	..
Extraordinary Receipts	..	..	1,27,84	84,69	1,16,05	72,24	73,27	46,46	36,09	37,28	84,61	17,06	25,80
Transfers from Revenue Reserve Fund	..	..	..	10,00	..	..	15,00	9,86	..	..	..	..	..
Total Revenue in India	9,15,85	9,77,83	11,52,00	10,85,99	12,06,43	11,15,43	11,27,78	10,55,83	9,94,79	10,23,87	10,72,63	10,64,96	10,64,96
Revenue in England with Exchange	-2	-11	..	-28	-6	26	-59	23	1,71	5	..	..	..
TOTAL REVENUE	9,15,83	9,77,72	11,52,00	10,85,71	12,06,37	11,15,69	11,27,19	10,56,51	9,96,50	10,23,92	10,72,63	10,64,96	10, 68,96

Expenditure—Government of the Punjab Since 1923-24 (In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income-Tax ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue ...	41,52	41,75	43,60	42,99	41,59	40,95	40,87	39,63	37,23	35,47	36,32	37,06	38,25
Excise ...	3,98	4,56	17,82	15,22	15,49	11,71	13,73	12,74	11,57	9,38	9,85	10,55	11,86
Stamps ...	1,99	2,50	2,75	2,40	2,32	2,13	3,46	1,87	1,96	2,02	1,69	1,94	1,83
Forest ...	28,95	25,93	24,95	26,80	25,52	24,33	24,73	23,38	20,99	18,12	19,00	21,57	21,51
Registration ...	1,07	95	1,00	99	1,03	1,04	99	96	87	76	73	76	71
Scheduled Taxes ...	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL ...	77,51	75,53	90,12	88,40	85,95	81,06	83,78	78,53	72,52	65,74	67,59	71,98	73,69
Forest and other Capital outlay charged to Revenue ...	...	1	1,98	4,22	4,02	4,71	4,95	...	...	3,98	5,62	4,85	17,84
Railways ..	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation ...	99,85	1,04,99	1,91,79	2,56,63	2,37,34	1,50,62	1,31,46	1,37,53	1,47,09	1,42,17	1,45,32	1,47,81	1,45,45
Debt Services ...	6,30	95	-4,18	-10,70	-22,89	-22,05	-16,27	-11,86	-8,84	8,68	-5,13	-17,57	-18,20
Civil Administration ...	4,64,63	4,71,23	5,18,37	5,44,69	5,69,67	6,17,05	6,50,91	6,39,57	5,85,03	5,49,11	5,38,45	5,46,44	5,64,22
Civil Works ...	83,17	68,78	1,07,58	1,49,25	2,03,99	2,45,00	1,83,11	1,44,73	1,24,85	1,20,00	1,21,43	1,25,69	1,29,28
Miscellaneous ..	50,31	43,24	54,76	56,79	57,14	45,62	54,95	70,70	77,25	81,17	98,53	1,03,83	1,06,25
Extraordinary Items ...	...	...	...	...	...	...	...	...	...	...	...	...	...
Transfer to Revenue Reserve Fund ...	...	...	...	29,00	15,34	...	...	...	...	...	...	...	...
Total Expenditure in India ...	7,81,87	7,64,89	9,60,42	11,09,28	11,52,24	11,23,01	10,92,89	10,59,25	9,94,45	9,70,85	9,71,81	9,83,03	10,18,53
Expenditure in England with Exchange ...	22,14	29,84	33,96	37,42	34,27	38,19	39,36	39,49	39,59	35,56	37,68	38,89	37,91
TOTAL EXPENDITURE ...	8,04,01	7,94,73	9,94,38	11,46,70	11,86,51	11,61,20	11,32,25	10,98,74	10,38,04	10,06,41	10,09,49	10,21,92	10,56,44

Revenue—Bihar and Orissa Since 1923-24

(In Thousands of Rupees)

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Taxes on Income	2,55	2,54	2,41	3,24	3,20	4,74	4,49	3,14	2,13	1,22	1,32	1,37	1,45
Salt	...	...	...	...	...	...	...	...	2,84	2,19	1,12	1,00	1,00
Land Revenue	1,65,62	1,67,58	1,67,03	1,69,21	1,68,66	1,73,98	1,77,83	1,80,04	1,76,09	1,80,85	1,77,03	1,80,00	1,77,78
Excise	1,88,28	1,75,99	1,96,63	1,97,35	1,96,40	1,89,27	1,90,82	1,42,09	1,22,07	1,20,01	1,23,79	1,34,00	1,33,00
Stamps	96,33	1,00,43	1,07,52	1,07,12	1,09,75	1,10,36	1,11,34	1,07,80	1,05,73	1,06,57	1,06,48	1,11,50	1,11,50
Forest	10,29	10,71	10,29	8,45	9,39	10,97	9,33	8,11	6,28	6,19	6,85	8,64	8,30
Agriculture	13,65	13,74	15,01	15,42	16,74	17,03	17,08	14,54	13,30	12,66	12,58	13,90	14,00
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	4,71,72	4,70,99	4,98,89	5,00,79	5,04,14	5,06,35	5,10,95	4,55,72	4,28,44	4,39,69	4,29,17	4,50,41	4,47,03
Railway	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	18,16	18,25	22,54	24,27	22,44	20,92	17,91	17,68	21,42	22,93	20,70	22,86	21,17
Interest Receipts	4,32	5,04	7,52	9,33	7,29	7,72	7,56	5,92	5,32	5,16	4,65	4,58	7,51
Civil Administration	21,20	26,98	29,20	25,51	24,20	29,10	31,42	28,76	28,26	29,19	25,73	26,49	28,93
Civil Works	5,82	8,36	6,66	6,50	8,21	6,46	6,46	6,86	8,78	10,65	9,16	10,76	7,48
Miscellaneous	7,25	6,28	13,83	7,22	5,65	7,33	20,25	10,85	27,03	7,20	7,16	11,47	6,64
Contribution to the Central Government by Provincial Governments	...	...	...	...	...	...	...	...	...	...	...	...	...
Miscellaneous adjustment between Central and Provincial Governments	...	...	...	...	...	...	...	...	...	...	...	...	...
Extraordinary Receipts	...	...	...	...	...	...	...	...	...	...	...	...	...
Transfer from Revenue Reserve Fund	...	...	...	...	...	...	...	...	...	...	...	...	...
Total Revenue in India	5,28,31	5,36,54	5,78,94	5,73,99	5,72,44	5,77,88	5,94,55	5,27,37	5,19,25	5,05,82	4,96,57	5,37,40	5,80,92
Revenue in England with Exchange	-2	-1	...	-2	-2	34	-1	22	22	1	...	...	...
TOTAL REVENUE	5,28,29	5,36,53	5,78,94	5,73,97	5,72,42	5,78,22	5,94,54	5,27,59	5,19,47	5,05,83	4,96,57	5,37,40	5,80,92

2,874

Expenditure—Bihar and Orissa Since 1923-24

(In Thousands of Rupees)

	1922-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	Revised 1934-35	Budget 1935-36
Income Tax	...	...	...	...	...	...	...	...	...	...	...	...	...
Land Revenue	18,57	21,14	21,21	21,39	23,34	27,50	25,72	24,63	21,80	18,99	17,14	16,41	14,68
Excise	9,36	9,90	22,75	19,89	19,16	18,03	18,33	18,14	15,41	14,45	14,62	16,63	17,48
Stamps	3,27	2,86	2,97	3,06	3,18	3,39	2,53	2,39	2,17	2,02	1,92	2,05	2,03
Forests	7,45	7,79	6,53	8,41	6,63	7,19	7,62	7,34	7,01	6,17	6,88	6,61	7,77
Registration	5,50	5,45	5,88	6,08	6,24	6,23	6,19	6,41	6,18	5,71	6,00	6,20	6,41
Scheduled Taxes	...	...	...	...	...	...	...	...	...	...	...	...	...
TOTAL	44,15	47,14	59,34	58,83	58,55	62,34	60,69	58,91	52,57	47,34	46,56	47,90	48,82
Forest and other Capital outlay charged to Revenue	...	...	99	1,31	1,29	1,92	1,40	1,51	62	15	17	24	29
Railways	...	...	...	...	...	...	...	...	...	...	...	...	...
Irrigation	24,01	25,18	25,43	27,64	27,41	25,76	23,49	25,47	25,94	24,41	24,07	25,84	24,42
Debt Services	3,36	3,55	3,42	2,43	1,93	1,28	1,82	1,99	1,95	2,20	2,00	2,66	10,16
Civil Administration	2,09,59	3,15,30	3,31,72	3,62,40	3,53,35	3,62,66	3,78,84	3,80,88	3,45,50	3,27,54	3,48,09	3,55,00	3,66,86
Civil Works	64,29	66,85	72,98	88,18	84,32	76,42	85,63	80,25	56,07	42,20	38,47	46,58	43,30
Miscellaneous	36,46	37,61	39,91	40,13	37,79	32,47	31,12	32,79	36,42	34,24	25,23	53,50	51,87
Extraordinary Items	...	...	...	...	...	...	...	...	1	18	23	21	8
Total Expenditure in India	4,71,86	4,95,68	5,33,79	5,81,22	5,64,54	5,62,25	5,85,99	5,81,80	5,19,08	4,78,26	5,04,82	5,31,43	5,15,30
Expenditure in England with Exchange	12,48	17,49	21,14	23,78	22,57	23,02	22,43	24,33	23,46	22,22	21,64	22,67	22,80
TOTAL EXPENDITURE	4,84,34	5,13,12	5,54,93	6,05,00	5,87,11	5,85,27	6,08,42	6,06,13	5,42,54	5,00,48	5,26,46	5,54,10	5,68,10

Revenue—Government of North-West Frontier Province.

(In Thousands of Rupees.)

	Revised Budget		
	1933-34	1934-35	1935-36
Taxes on Income	...	...	...
Land Revenue	21,30	19,75	19,60
Excise	8,09	7,63	7,77
Stamp	9,58	8,97	8,96
Forest	4,35	2,63	3,10
Registration	4,70	66	66
Scheduled Taxes	...	...	...
Total	43,75	39,64	40,09
Railways	...	...	...
Irrigation	11,38	10,31	10,90
Interest Receipts	88	90	89
Civil Administration	7,33	6,48	6,79
Civil Works	80	4,86	3,67
Miscellaneous	2,98	2,19	2,08
Contribution to the Central Government by Provincial Governments	...	...	...
Miscellaneous Adjustments between Central and Provincial Governments	1,00,00	1,00,00	1,00,00
Extraordinary Receipts	...	...	...
Transfers from Reserve Fund	...	...	...
Revenue in England with Exchange	...	...	...
TOTAL REVENUE	1,72,34	1,64,39	1,64,42

Expenditure—Government of North-West Frontier Province.

(In Thousands of Rupees.)

	Revised Budget		
	1933-34	1934-35	1935-36
Income-Tax	...	...	...
Land Revenue	3,29	3,45	3,50
Excise	85	78	84
Stamps	20	20	21
Forests	3,98	3,10	3,03
Registration	11	11	12
Scheduled Taxes	...	...	...
Total	8,48	7,64	7,70
Forest and other capital outlay charged to Revenue	...	...	...
Railways	...	...	...
Irrigation	13,99	14,03	15,08
Debt Services	1,59	1,46	1,42
Civil Administration	96,35	99,36	1,02,84
Civil Works	31,56	31,72	32,86
Miscellaneous	9,87	10,93	11,43
Extraordinary Items	...	4	2
Total Expenditure in India	1,61,79	1,74,69	1,71,35
Expenditure in England with Exchange	5,45	4,87	4,99
TOTAL EXPENDITURE	1,67,24	1,79,66	1,76,34

Revenue and Expenditure of the Central Government.

The following statement gives the revenue and expenditure of the Central Government since 1921-22. The sterling amounts are converted into rupees at the average of the daily rates for telegraphic transfers in Calcutta on London in each year. The rate of conversion has been assumed to be 1s. 6 $\frac{1}{2}$ d. in 1933-34 and as usual 1s. 6d. in 1934-35. The figures given below are in Lakhs of Rupees.

YEAR	(1) Revenue excluding transfer from Reserve Fund	(2) Expenditure excluding transfer to Reserve Fund and provision for Reduction or Avoidance of Debt and items shown in (3)	(3) Transfer to Earthquake Fund and Special Subventions to Provinces	(4) Balance of (1) and (2) Plus (3)	(5) Provision for Reduction or Avoidance of debt and Transfers to or from Revenue Reserve Fund	Final Surplus (+) Deficit (—)
1921-22	1,15,21	1,38,40		23,19	4,46	—27,65
1922-23	1,21,41	1,31,38		10,47	4,55	—15,02
1923-24	1,33,17	1,27,16		+6,01	3,62	+2,89
1924-25	1,38,04	1,23,58		+9,46	3,78	+5,68
1925-26	1,33,33	1,25,05		+8,28	4,97	+3,81
1926-27	1,31,70	1,23,77		+7,93	(a) 7,93	
1927-28	1,25,04	1,22,22		+2,82	(b) 2,82	
1928-29	1,28,24	1,23,88		+4,36	(c) 4,68	—32
1929-30	1,32,69	1,26,68		+6,01	5,74	+27
1930-31	1,24,60	1,30,04		—5,44	6,14	—11,58
1931-32	1,21,64	1,26,50		—4,86	6,89	—11,75
1932-33	1,26,40	1,18,01		+8,39	6,84	+1,55
1933-34	1,26,37	1,20,37	2,72	+8,00	3,00	
1934-35	1,23,83	1,15,19	5,06	+3,18	3,00	+10
(Revised)						
1935-36	1,21,00	1,15,91	2,03	+3,06	3,00	+6
(Budget)						

(a) After adding 2,96 transferred to Revenue Reserve Fund.

(b) After deducting 2,22 transferred from Revenue Reserve Fund.

(c) After deducting 74 transferred from Revenue Reserve Fund.

Railway Budget.
Review of results from 1925-26 to 1934-35 Commercial and Strategic lines together.
(Figures in Lakhs of Rupees)

	Mileage open	Gross Traffic receipts	Ordinary operating expenses	Depreciation Fund	Net Traffic Receipts	Net Miscellaneous charges (including surplus profits payable to Companies) after deducting miscellaneous receipts	Net Revenue	Interest charges	Surplus	Paid as contribution to general revenues	Transferred to Railway Reserve
1925-26	27,090	98.94	52.99	10.67	35.28	-1.19	84.09	24.81	9.28	5.49	3.79
1926-27	27,664	98.42	52.89	10.89	34.64	-1.27	33.87	25.87	7.50	6.01	1.49
1927-28	28,086	1,03.43	53.06	11.36	38.99	-87	38.12	27.27	10.85	6.28	4.57
1928-29	29,111	1,03.73	54.22	12.00	37.51	-87	37.14	29.33	7.81	5.23	2.58
1929-30	30,878	1,02.70	55.59	12.59	34.32	-2	34.50	30.46	4.04	6.12	-2.08
1930-31	31,197	95.10	54.39	13.07	27.64	-11	27.53	32.72	-5.19	5.74	-10.98
1931-32	31,640	86.63	49.31	13.46	23.86	1	23.87	33.07	-9.20	...	-4.95
1932-33	31,642	84.43	49.08	13.77	21.58	1.10	22.68	32.91	-10.23	...	...
1933-34	31,644	86.63	49.50	13.56	23.57	105	24.62	32.58	-7.96	...	...
Revised estimate 1934-35	31,644	90.75	50.10	13.73	26.92	68	27.60	31.84	-4.24	...	...
Budget estimate 1935-36	31,714	79.50	51.15	13.25	29.07	72	29.79	31.69	-1.90	...	...

NOTE 1—The balance of the loss in 1931-32 and the total loss in the following years has been, or will be, met by temporary borrowings from the Depreciation Fund.

NOTE 2—Credits for Material released from works not charged to revenue which were taken in reduction of operating expenses up to 1931-32 and have since then been added to receipts are included in net miscellaneous charges.

NOTE 3—Gross Traffic receipts and working expenses for 1934-35 are for the whole system including worked lines. For comparison they should be reduced by 5.25 and 2.65 respectively. Similarly, net miscellaneous charges in 1934-35 include payments of net earnings to worked lines amounting to 2.60.

2. The statement below gives a comparison of the allotment made for open lines and lines under construction during the same period (viz., 1932-33 to 1935-36 under Commercial and Strategic lines separately :—

		(Figures in Thousands of Rupees.)			
		Accounts, 1932-33	Accounts, 1933-34	Revised Estimate 1934-35	Budget Estimate 1935-36
Commercial					
Open line (including rolling stock)	{ Capital	—23,58	—2,17,19	1,54,10	4,74,00
	{ Dep. Fund	6,11,43	7,91,44	7,75,00	9,01,00
Total open lines	{ Capital	—23,58	—2,17,10	1,30,00	5,18,00
	{ Dep. Fund	6,11,43	7,91,44	7,75,00	9,01,00
Lines under construction	{ Capital	57,04	22,36	25,00	26,00
	{ Dep. Fund	...	..	...	...
Total Commercial	{ Capital	33,46	—1,94,83	1,55,00	5,44,00
	{ Dep. Fund	6,11,43	7,91,44	7,75,00	9,01,00
Total		6,44,89	5,96,61	9,30,00	14,45,00
Strategic.					
Open line (including rolling stock) ...	{ Capital	—22,81	—6,90	—5,00	6,00
	{ Dep. Fund	23,28	16,09	25,03	49,00
Lines under construction ...	{ Capital	22	1	...	...
	{ Dep. Fund	...	...	...	...
Total Strategic	{ Capital	—22,59	—6,89	—5,00	6,00
	{ Dep. Fund	23,28	16,09	25,00	49,00
Total Commercial and Strategic Lines	{ Capital	10,87	—2,01,72	1,50,00	5,50,00
	{ Dep. Fund	6,34,71	8,07,53	8,00,00	9,50,00
Total		6,45,58	6,05,81	9,50,00	15,00,00

Capital Expenditure on State-owned Railways

(Figures in Thousands of Rupees)

RAILWAYS	Accounts 1932-33	To end of 1932-33	Accounts 1933-34	To end of 1933-34	Revised Estimate 1934-35	Budget Estimate 1935-36	To end of 1935-36
OPEN LINES							
State Railways managed by the State—							
Burma	-5,08	31,84,31	5,63	33,51,42	-1,5,00	4,00	33,40,42
Eastern Bengal ..	10,68	48,54,00	-48,13	48,05,87	10,00	30,50	48,40,37
East Indian	30,38	1,36,72,63	-62,36	1,36,10,27	65,00	1,48,80	1,38,24,07
Great Indian Peninsula	-71,84	1,22,52,40	-1,19,04	1,21,33,36	-20,00	38,50	1,21,51,86
North Western ..	-43,90	1,07,12,47	-12,33	1,07,80,82	-70,00	...	1,07,10,82
Strategic Lines ..	-22,76	33,74,37	-6,86	33,67,51	-5,00	6,00	33,68,51
Miscellaneous ..	-60	2,43,67	-4	2,43,58	...	...	2,43,58
Abandoned Projects ..	...	32,26	...	32,26	...	...	32,26
State Railway Collieries	-8	1,00,09	-2,69	97,45	-78	-80	95,87
Total State Railways managed by State ..	-1,03,20	1,84,26,20	-2,45,82	1,84,22,54	-35,78	2,27,00	4,86,13,76
State Railways managed by Companies or Indian States							
Assam-Bengal ...	6,32	21,14,36	71	22,52,13	7,00	15,00	22,74,13
Bengal-Nagpur	14,05	72,12,66	8,97	72,21,93	23,00	57,50	73,02,13
Bengal and North-Western (Tirhut) ...	-1,23	9,67,21	-2,51	9,64,70	6,00	7,70	9,78,40
Bezawada Extension ...	24	17,94	2	17,76	5	5	18,06
Bombay, Baroda and Central India ..	14,81	75,78,60	-2,68	75,75,92	46,05	64,00	76,85,97
Dhona Kurnoo ...	17	26,87	32	27,19	30	40	27,89
Jodhpur	1,75	86,07	33	86,40	2,00	2,55	90,95
Madras and Southern Mahratta ...	5,74	52,94,77	3,07	52,97,84	28,00	23,00	53,48,84
Rohilkund and Kumaon (Lucknow- Bareilly) ...	33	2,45,70	79	2,46,48	2,50	3,70	2,52,68
South Indian ...	19,05	36,87,00	8,36	36,95,36	35,00	35,00	37,65,36
Total State Railways managed by Companies or Indian States	61,23	2,72,31,18	17,38	2,73,85,61	1,40,90	2,08,90	2,77,44,41
Total Open Lines	-41,97	7,56,57,38	-2,28,44	7,58,08,15	1,14,12	4,35,90	7,63,58,17

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Islampur	" Satara	Ahmednagar	" "	Nandurbar	" "
Karad	" "	Bhiwandi	District Thana	Sakri	" "
Tasgaon	" "	Palghar	" "	Sindkheda	" "
Satara	" "	Kalyan	" "	Malegaon	District Nasik
Kirloskarwadi	" "	Akluj	District Sholapur	Satana	" "
Koregaon	" "	Viramgam	District Ahmedabad	Kalvan	" "
Shirale	" "	Dhulia	" West Khandesh	Dohad	District Panch Mahals
Kopargaon	District Ahmednagar	Dondaicha	" "	Kalol	" "
		Shirpur	" "		

Apex Bank of the Co-operative Movement in Bombay Presidency.

WORKING CAPITAL EXCEEDS RS. 2,00,00,000.

FIXED, CURRENT AND SAVINGS DEPOSITS ACCEPTED.

Terms on Application

ADVANCES made only to registered Co-operative Societies

COLLECTION WORK undertaken on almost all important towns in the Bombay Presidency

Money deposited with this Bank directly benefits the Agriculturists and persons of small means.

For further particulars write to Managing Director.

CURRENCY & MONETARY SECTION :

INDIAN FINANCE IN 1934-35

The history of international finance in 1934-35 is generally an eventless one, but it was not altogether free from its share of devaluation of currencies. The whole of 1934 was eventless in this respect, except for a sudden and quiet alteration in the value of the Czecho-Slovakian crown; and at one stage it seemed as though there would be no addition till the middle of 1935 to the number of countries who have either abandoned the gold standard or altered the gold parity of the national currency. The crisis in the fate of the gold currencies occurred, for the first time, during the period under review towards the close of 1934, when owing to a number of reasons, not the least important of which was the large budgetary deficit in France, it seemed that the hands of the gold bloc would be forced. In fact, the outlook in December seemed to suggest that the large edifice of the gold bloc would come down before 1935 had progressed far. But by February, the gold countries came to evince a new determination to preserve the parities and it seemed, for a while, that the next bout of devaluation would be postponed to the middle or the third quarter of 1935. But the Belga was all of a sudden exposed to severe bear attacks and the failure of the attempts of M. Theunis to procure the necessary financial help from France decided the fate of the Belgian currency and, just towards the close of the year under review, the Belga was devalued to the extent of 28 per cent. The reactions of the Belgian devaluation on the other members of the gold bloc do not, strictly speaking, come under the scope of this review. But it may be mentioned in passing that, while at first it seemed that Belgium was sending another chain of devaluation to go round Europe, latterly the remaining gold bloc countries showed a more grim determination to preserve their gold parities.

But so far as the year 1934-35 is concerned, the distinctive characteristic must be said to be a silent but strenuous struggle among the principal currencies for the ad-

vantage of relative under-valuation. By reason of its rigid link to gold, the franc had not the same advantage as the dollar or sterling. In the case of the dollar, though it was, doubtless, a gold currency on account of its fixed gold value, the President had always kept in the minds of the markets the fear of a further devaluation of the dollar. Besides this, there were other circumstances tending to disturb its value. There was, first of all, the execution of the silver purchase policy which, apart from the aims of its principal protagonists in the Senate, was in the hands of Mr. Roosevelt an instrument by which the dollar could be kept low. The aim of the American authorities has always been to use the silver purchases to prevent an undue depreciation of sterling. The silver purchases had, in fact, been used on many an occasion, during the period under review, for this purpose. There was another circumstance which had the opposite effect of strengthening the dollar, namely, the possibility of the Supreme Court giving a verdict against the Administration on the Gold clause question. When at a time it seemed that the holders of gold clause bonds in America might be able to realise the gold value of the bonds in the new dollars, there was an efflux of funds towards America. But when ultimately the Supreme Court handed down a decision favourable to the administration, the flow of funds was reversed. What is most important in this context is that throughout the year America was obliged to keep a watch over the course of the sterling exchanges and to intervene, time and again, to prevent an undue depreciation. Nevertheless, the feature of the year is the slow depreciation of sterling, both in terms of the franc and in terms of the dollar. At the beginning of the year under review, the sterling-dollar rate was quoted at 5.17 7/16, and, at the end of the year, the rate came down to as low as 4.79. Likewise, while during April 1934, the highest level of the sterling-franc rate stood at 79.96 and in March, 1935 as low as 70.96 was touched.

It is remarkable that the course of the exchanges during the year was altogether out of the norm. For one thing, the depression in sterling started long before the autumn; and by the middle of the year, the reserves of the Exchange Equalisation Fund had run so low that it was widely apprehended that the autumn of 1934 might witness the slump of sterling to unprecedentedly low depths, as, at the time the pressure was strongest, the control would lack the means of preventing it. But the assassination in the first week of October of King Alexander of Yugoslavia and M. Barthou, the French Foreign Minister at Marseilles, brought about a *volte face* in the position of the international exchanges. While formerly the Continental gold currencies were waxing strong at the expense of sterling, the assassination raised in people's minds the fear of another world-war and caused an influx of funds into London. This naturally had the effect of sending up the exchange value of sterling; and though there were in the last quarter of 1934 occasional set-backs sterling has since remained comparatively strong. This strength, however, has not affected the lower trend, which, we have already pointed out, is the feature of the whole year.

Leaving aside the fluctuations in the exchanges, the upshot of the year is that the prospect of restoration of a common international standard receded farther in the horizon. There were a number of occasions in which rumours were widely circulated in international financial circles that France, Great Britain and America were endeavouring to come to a common understanding on the question of the stabilisation of the international exchanges. The rumour was most strong when the Attorney-General in the United States referred to the position of America in the stabilisation talks as one of the considerations which the Supreme Court should take into account in coming to a decision on the gold clause case. But every time the hopes, that arose as a result of these rumours, were stifled. In the case of the United States, there was, during the year, no reassuring gesture that the American administration would be prepared to negotiate with France and Great Britain for a common understanding. The statement of Mr. Henry Morgenthau, that, if other countries were to stabilise, America would not be found to lag behind was made later in 1935. As regards France, the initiation of a new deal by M. Flandin in January, 1935 suggested for a time that France had made up her mind to abandon the policy of deflation as a means of attaining ex-

change equilibrium and that she would not be unwilling to come to an agreement with Great Britain. But of the three nations, Great Britain was easily the most implacable. Mr. Neville Chamberlain never missed an opportunity of emphasising that, for some long time to come, Great Britain would not entertain the idea of stabilising sterling even *de facto*, not to speak of *de jure*. Thus, 1934-35 has come to an end with the fate of the international monetary standard more nebulous than ever, with the gold bloc countries straining to preserve their parities and the differences among the principal nations wider than at any time since September 1931.

So far as the Rupee is concerned, the decline in its gold value, which follows *ipso facto* from the decline in the gold value of sterling is the most notable feature of the year. But such a depreciation, as this indicates, has not given her any considerable advantage in her trade terms with the countries outside the Empire. For, 1934-35 has seen a lamentable increase in tariffs, exchange controls and similar barriers to international trade. The result is that India's Foreign trade has not grown as much as one would have expected from the decline in the gold value of the rupee.

The volume of foreign trade during the year was better than in 1933-34, both the exports and imports showing an advance over the previous year. The rise in the value of imports to about Rs. 132 crores touched almost the 1932-33 level. Exports of Indian merchandise during the year under review was Rs. 151.24 crores against Rs. 146.31 crores in 1933-34. Re-exports rose only slightly more from Rs. 3.42 crores in 1933-34 to Rs. 3.55 crores during the year. The import trade improved to Rs. 131.80 crores from Rs. 114.99 crores in 1933-34.

Although there was an improvement in the total trade during the year as against 1933-34, the balance of trade in merchandise fell during the year by Rs. 11.75 crores owing to the simultaneous advance in the imports along with the exports. The net exports of gold have begun to fall off from the peak figure of Rs. 65.52 crores in 1932-33 to Rs. 57.05 crores in 1933-34 and to Rs. 52.54 crores during the year. Silver imports had little significant effect on the balance of trade in treasure during the year. In effect, therefore, the balance of transactions in treasure fell during the year to Rs. 52.54 crores from Rs. 57.23 crores in the previous year. The visible balance of accounts decreased during the year by Rs. 16.44 crores from Rs. 91.97 crores in

1933-34. The remittance of funds decreased by about Rs. 10 crores during the year as compared with 1933-34. The total visible balance of accounts during the year was in favour of India to the extent of Rs. 25.75 crores, a decrease of nearly 20 per cent. over that in 1933-34. If we take into consideration the amounts on account of the net payments in India of British postal orders and of foreign money order as also Government transfers on account of Iraq and Mauritius totalling on an average of about Rs. 1.05 crores, the visible balance of accounts will be reduced to Rs. 24.70 crores during the year.

It need hardly be added that these figures are compiled only from such statistics as are available and that they are no measure of the balance of payments between India and foreign countries. For in such balancing, other forms of invisible imports and exports would have to figure, and such invisible imports and exports have been difficult to appraise even in the more advanced nations of the West. But the statistics provided in this section afford a reliable guidance to the understanding of the position of the rupee during the year under review.

It is noteworthy that the decline in the visible balance of trade has not affected the strength of the rupee. Only once, during the course of the year, has the rupee rate gone below the parity of rs. 6d. and on that occasion, too, the decline was only by a point. Throughout the rest of the period the rupee rate has remained well above parity; and this is itself a measure of the ease with which the Government was able to acquire from the market its requirements of sterling. The total amount of sterling purchased from the market came to £37.542 million, while the remittance programme, according to the budget of 1934, was only £26.7 million. As a result of this successful remittance programme, the cash balances of the Secretary of State were always in excess of needs.

It is remarkable that the strength of the rupee rate has been maintained throughout the year in spite of the low bank rate of $3\frac{1}{2}$ per cent. which has ruled throughout the year under review. In the matter of the stability of the official minimum, the year 1934-35 may be said to have created a record. Calcutta experienced undisturbed money conditions, the official call money rate being well maintained at $3\frac{1}{4}$ per cent. through the greater part of the year under review, the rise to 1 per cent. being only in the months of February and March. In Bombay, conditions were different; the year opened with a call money rate of 3

per cent. which thereafter ruled easy at about 1 per cent. till the onset of the busy season. Firm money conditions were experienced only during the first quarter of 1935, when the call money rate was at or about 3 per cent. This itself was largely result of somewhat excessive speculation in the bullion market.

The persistence of easy money conditions and the absence of any marked revival of trade naturally brought about a steady rapid rise in the level of prices of gilt-edged securities. Up December last, the average price of $3\frac{1}{2}$ per cent. paper for each month showed a distinct advance over the average price of the previous month. Though during April the lowest price of $3\frac{1}{2}$ per cent. paper was only Rs. 87-11-0, it touched during the month as high a level as Rs. 89-9-0. May saw a setback, but by August, the level of Rs. 90 was exceeded; and once the position had been consolidated at that level, the rise to Rs. 95 was accomplished before the end of November. December saw a period of great activity in the gilt-edge market $3\frac{1}{2}$ per cent. rising as high as Rs. 94-0 and 3 per cent. bonds to Rs. 101-4-0. $3\frac{1}{2}$ per cent. loan 1947-50, of which a re-issue was made during the year, rose up to Rs. 102-15-0. By far the most remarkable happening in December, 1934 was that towards the middle of the month $3\frac{1}{2}$ per cent. rupee paper exceeded the level at which $3\frac{1}{2}$ per cent. sterling stood.

The last quarter of the year under review is, however, one of a set-back in gilt-edge prices. January, no doubt, saw $3\frac{1}{2}$ per cent. paper touch Rs. 98-15-0; but it was also the beginning of the decline to Rs. 97-6-6, and by March, as low a level as Rs. 89-8-0 was touched. But at no time was there any doubt that the credit of the Government was increasing.

The increase in the credit of the Government, which enabled them to borrow on 3 per cent. issues, was also duly reflected in the rate at which the Government gained their short-term debt. Between the beginning of April, 1934 and the middle of July, the average rate of accepted tenders came down from Rs. 2-5-7 per cent. to as low a level as Rs. 0-15-7 per cent. Considering that the rate at which treasuries were obtained was so exceptionally low, it is natural that hereafter there should be a gradual increase; but it is significant that, till the end of the year 1934, the rate remained well below the level of Rs. 1-8-0 per cent. large amounts of Intermediates being sold at the same time at about Rs. 1-6-0 per cent. It was only

from the end of January that the rate of Rs. 2 per cent. was reached. This rate, however, remained in force only up to the first week of March, as thereafter, treasuries were discontinued till the Reserve Bank assumed the discharge of all the market operations of the treasury. The most remarkable achievement of the year in respect of the short-term debt is that the total volume of the floating debt was reduced from about 33 crores at the end of March, 1934 to 18.26 crores at the end of the year under review.

The exports of gold from India during 1934-35 was less by about Rs. 5 crores from the exports during the previous year. In accordance with anticipations, the gold exports have been declining. In spite of attractive prices for gold abroad for some months in the year, it is apparent that considerable difficulties are being experienced for the gold in upcountry areas to move into the ports to take advantage of the tempting offers abroad. And as a matter of fact in August the gold export from India had actually abated for the first time since England went off the gold standard.

Early in the year there were exports of gold to America on an unprecedented scale, which, however, late in April left the United States for France owing to the weakness of the dollar in terms, of the franc. The movements in the Bombay market followed more or less the fluctuations in the international gold market. Till about the middle of the year the price of gold in Bombay fluctuated within only narrow limits in consonance with the London price of gold. The depression in sterling which came into evidence during the second half of the year began to force rates up, the London price reaching 143s. 3d. per ounce on the 11th October, Bombay quoting Rs. 35-9-6 on the same day. Towards the end of the month sterling began to appreciate and gold again dropped to Rs. 34-8-0 in Bombay. The price of gold had again an almost steady tone till about February, rates in Bombay being steady at about Rs. 35-0-0. But persistent weakness in the dollar-sterling and franc-sterling rates led to further appreciation of prices in March and on the 6th of the month the record of 149s. 4d. was registered in London, Bombay rate going up to Rs. 36-4-0. Towards the end of the month the market again became quiet owing to renewed apprehensions regarding the stability of the Belgian currency and price in Bombay dropped to Rs. 35-10-0. The net export of gold during the year from India was

5,695,000 ounces valued at Rs. 52.54 crores as against 6,695,000 ounces valued at Rs. 57.05 crores in the previous year. The highest price of gold in London during the year was 149s. 4d. in March 1935 and the lowest 134s. 4d. per ounce in April 1934 corresponding Bombay prices being Rs. 36/12 and Rs. 33/3/3 respectively.

GOVERNMENT OF INDIA LOANS

Rupee Loan. The two landmarks in the monetary history of the year were the two new loans which were issued on the 31st May and 15th September. It was under propitious conditions that the Government announced on May 31, 1934 a re-issue of the 3½ per cent. 1947-50 at an issue price of Rs. 98-8 per cent. Subscriptions were invited in the form of cash, Treasury Bills, 4½ per cent. 1934 bonds, and 4 per cent. 1934-37 loans and the amount of the issue was restricted to Rs. 32 crores. The results of the loan are as under:—

	Rs.
By Cash	...
.. Treasury Bills	...
.. Conversion of 4½ per cent. 1934 Bonds	...
.. Conversion of 4 per cent. 1934-37 Loan	...
Total	25,12,62,400

Considering that the Government had stipulated a sum of Rs. 32 crores the loan might be considered only as a partial success; but as the Government's requirements were well within the available amount of Rs. 25 crores, the loan must be deemed to have been a success.

As mentioned already, the second new loan of the year was announced on September 5. The greater part of the period between the middle of July and the beginning of September might normally be regarded as a period of preparation for the second new loan. But in point of fact, this period saw no significant changes in the rates for treasury bills; and the general trend may be said to have been upward. At the end of August the average rate of accepted tenders stood at Rs. 1-6-11 per cent. On the occasion of the second new loan, the Government were content with discontinuing the sales of intermediate treasury bills. The second loan did not call for any elaborate preparation. For the conditions were ready-made for the authorities, partly because of the firmer trend

of giltedge during the period following the $3\frac{1}{2}$ per cent. Loan and partly because the reduction of the unconverted portion of the $4\frac{1}{2}$ per cent. 1934 bonds, which was made on September 15, left a large block of funds awaiting investment in the Government's new issue. The new issue was a 3 per cent. taxable loan for an unlimited amount redeemable at par on September 15, 1941 the issue price being Rs. 99 per cent. Subscriptions were received either in the form of cash or $4\frac{1}{2}$ per cent. 1934 bonds.

The bonds were issued in the form of Stock certificates or promissory notes and applications were received on the 10th and 11th September only at the local head

offices and branches of the Imperial Bank of India. The total amount subscribed was Rs. 10,67,31,700 of which Rs. 8,61,17,400 was by tender of cash and Rs. 2,06,14,300 by tender of $4\frac{1}{2}$ per cent. 1934 Bonds. The nominal value of the $4\frac{1}{2}$ per cent. 1934 Bonds tendered in subscription amounted to Rs. 2,04,11,200.

The year was one of no regret from the standpoint of the Government. Though, doubtless, better result might have attended the two loan issues, the Government could well feel satisfied with such as were achieved; and they could desire no more than that the conversion of $3\frac{1}{2}$ per cent. Paper to a lower interest basis comes as almost a demand from the market itself.

THE BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK, LTD.

P A T N A

(ESTABLISHED IN 1914)

President : Dr. Sir SYED SULTAN AHMED, Kt., D. L., Bar-at-Law

Capital Subscribed **Rs. 18,78,000**

Capital Paid-up **Rs. 6,11,200**

Statutory and other Reserves **Rs. 6,24,700**

APEX BANK OF THE CO-OPERATIVE MOVEMENT IN BIHAR AND ORISSA

Fixed, Savings and Current Deposits accepted.

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Advances made only to registered societies in Bihar and Orissa.

Detailed rules will be supplied on application.

RAI BAHADUR DURGA PRASAD
Managing Director.

V. M. THAKORE
Secretary.

Balance of Trade in India from 1924-25 to 1934-35.

(In Lakhs of Rs.)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Exports of Indian Merchandise (private) ...	-3,84.66	+ 3,74.84	+ 3,01.44	- 3,10.15	- 3,30.13	+ 3,10.80	+ 2,20.40	+ 1,55.89	+ 1,32.43	+ 1,46.31	+ 1,51.24
Re-exports of foreign ...	... +13.51	+ 10.49	- 8.01	+ 9.51	+ 7.83	+ 7.1	- 5.15	+ 4.66	+ 3.22	+ 3.42	- 3.55
Imports of foreign ...	-2,43.16	- 2,24.20	- 2,29.98	- 2,46.71	- 2,51.49	+ 2,38.95	- 1,63.61	- 1,25.69	- 1,32.27	- 1,15.02	- 1,31.76
Balance of trade in Merchandise	+1,55.01	+ 1,61.13	+ 79.47	+ 81.98	- 86.47	+ 78.98	- 62.03	+ 34.86	- 3.38	+ 34.71	+ 23.03
Gold (private) ...	... -73.93	- 31.85	- 19.40	- 18.10	- 21.20	- 14.22	- 12.75	+ 57.97	+ 65.52	+ 57.05	+ 52.54
Silver ( , ) ...	... -20.06	- 17.15	- 19.79	- 13.85	- 13.04	- 11.80	- 11.65	- 2.59	- 73	- 1	+ 2.16
Currency Notes (private) ...	... -28	+ 12	- 14	- 24	- 12	- 9	- 3	- 26	- 13	- 19	+ 37
Balance of transaction in Treasury (private) ...	... -94.27	- 31.88	- 39.33	- 32.19	- 31.36	- 26.20	- 24.43	- 55.61	+ 64.92	+ 57.23	+ 55.07
Total Visible Balance of Trade ...	-60.74	+ 1,09.25	- 40.14	- 49.79	- 52.11	+ 52.58	- 37.60	- 90.50	+ 68.30	+ 91.94	+ 78.10
[Council Bills, purchases of Sterling and other Government remittances to the United Kingdom -56.35	-61.24	- 2.82	- 37.77	- 41.02	- 20.39	- 20.39	- 7.26	- 53.01	- 48.18	- 59.07	- 49.82
Sterling transfers on London sold in India ...	... + 1.93	... + 1.93	... + 1.93	... + 1.93	... + 1.93	... + 1.93	... + 1.93	... + 1.93	... + 1.93	... + 1.93	... + 1.93
Transfers of Government Securities	-38	- 1.27	- 3	- 25	- 1	- 29	- 8	- 6	- 13	- 11	+ 32
Interest drafts on India in respect of Government of India Securities	... -11	- 36	- 34	- 35	- 35	- 33	- 33	- 32	- 32	- 36	- 86
Balance of remittance of funds	-57.14	- 62.87	- 1.20	- 37.84	- 41.39	- 21.01	- 8	- 34.32	- 48.63	- 60.14	- 49.78
Total Visible Balance of Accounts	-3.60	+ 46.38	- 38.91	- 14.55	- 10.72	- 31.77	- 37.68	- 56.18	+ 19.67	+ 31.50	+ 26.32

NOTE—(1) Imports of merchandise are exclusive of railway materials imported direct by State Railways working under Company management, as the charges of these are not paid for in the ordinary way.

(2) In the balances, + means net Export and - net Import.

(3) All transactions which do not enter into the balance of trade are excluded.

Monthly Exports and Imports into India of Gold from 1928-29 to 1934-35

(In Thousands of Rupees)

	1928-29		1929-30		1930-31		1931-32		1932-33		1933-34		1934-35	
	Rs.	Exports	Rs.	Imports	Rs.	Exports	Rs.	Imports	Rs.	Exports	Rs.	Imports	Rs.	Exports
April	...	2,30,00	82	1,83,25	48	1,63,10	29	16,45	...	11,50	4,23,78	6,13	4,55,59	6,58
May	...	2,40,67	...	1,68,77	...	1,76,78	...	19,06	...	7,13	3,30,12	10,24	5,21,92	6,21
June	...	1,73,23	...	90,26	1	2,52,16	1	16,01	61,93	8,63	1,87,02	13,31	5,62,59	7,73
July	...	59,26	16	1,15,66	...	93,25	...	20,67	12,67	10,66	6,17,01	8,16	2,30,75	5,65
August	...	83,25	9	77,31	35	3,63,82	3	21,57	28,95	12,95	4,51,53	8,90	1,46,30	6,30
September	...	46,83	17	94,17	...	97,71	...	31,00	29,29	9,36	6,56,50	8,28	5,70,11	5,12
October	...	1,28,08	18	87,39	1	26,18	...	49,27	9,05,44	10,98	5,67,39	8,61	3,43,55	5,50
November	...	1,78,52	4	1,22,44	...	36,21	...	27,02	8,57,45	14,27	6,71,75	7,13	2,53,23	1,76
December	...	2,73,43	15	1,27,91	5	23,22	4,54	27,94	17,76,53	16,09	10,13,26	10,56	2,12,07	5,03
January	...	1,91,18	8	1,47,21	10	24,53	32,37	20,11	9,27,38	12,74	4,71,22	7,13	5,92,68	5,68
February	...	2,13,90	...	1,05,31	...	24,11	...	13,92	7,57,12	7,25	4,05,89	11,21	10,21,62	3,79
March	...	3,63,20	33	94,13	...	37,93	12,10	14,90	6,88,37	10,22	4,98,29	9,83	5,45,98	8,29
TOTAL	...	21,21,90	2,02	14,23,11	1,03	13,24,66	49,31	79,95	60,77,23	1,31,81	66,84,09	1,06,94	58,15,30	71,93

NOTE—Value is at the market rate at the time of Import or Export and the metal is of unknown fineness.

Monthly Exports from and Imports into India of Silver from 1928-29 to 1934-35
(In Thousands of Rupees)

	1928-29		1929-30		1930-31		1931-32		1932-33		1933-34		1934-35	
	Imports Rs.	Exports Rs.	Imports Rs.	Exports Rs.	Imports Rs.	Exports Rs.	Imports Rs.	Exports Rs.	Imports Rs.	Exports Rs.	Imports Rs.	Exports Rs.	Imports Rs.	Exports Rs.
April ...	1,40,79	3,20	87,80	79,77	1,44,67	21,77	46,20	28	9,68	5,46	7,47	330	1,61,61	21,00
May ...	1,17,80	56,88	1,15,17	26,51	1,54,34	7,40	50,80	27	19,05	3,26	11,00	48,51	16,28	35,38
June ...	1,53,91	1,98,93	1,26,51	49,84	1,23,18	1,02	54,06	28,40	26,53	25,99	77	1,90,53	6,14	50,15
July ..	3,89,29	75,32	94,18	25,80	94,44	1,12	36,35	73,63	42,26	9,14	30	1,99,32	99	63,85
August ...	1,41,60	27,34	1,03,77	24,70	1,44,73	80,34	25,63	84,47	14,35	71,96	2,59	22,55	5,25	1,02,47
September	90,92	66,27	76,01	35,14	65,28	49,03	54,00	84,41	10,06	28,75	5,99	29,35	8,99	86,14
October	1,08,50	27,42	88,74	22,32	11,75	55,99	47,05	12,95	3,07	30,79	13,53	72,42	1,41	1,10,02
November	96,54	32,88	1,03,30	41,29	43,81	19,01	30,49	9,04	8,54	68,40	11,93	5,51	26,39	78,84
December	57,75	82,32	63,35	73,81	35,37	51,42	67,96	43,47	4,77	19,02	10,96	27,20	48,31	55,31
January	1,14,54	12,15	1,07,33	33,82	1,03,55	19,78	16,50	77,39	9,30	67,87	4,92	41,63	9,95	88,19
February	1,24,75	1,12	2,45,10	25,47	3,51,31	16,24	6,41	61,77	7,03	26,84	8,40	16,04	2,92	1,52,24
March ...	56,29	31,28	1,30,15	41,35	74,00	15,57	4,19	16,68	8,02	6,78	3,87	60,86	62,80	1,37,16
TOTAL ...	15,92,18	6,15,11	13,41,91	4,79,79	13,46,61	3,38,69	4,42,64	4,84,81	1,62,95	3,64,26	81,73	7,17,44	2,51,04	9,55,75

Note—Value is at the market rate at the time of Export or Import and the metal is of unknown fineness.

Total Imports and Exports of Silver and Gold for each of the years 1900-01 to 1934-35.

(Value in Thousands of Rupees)

	GOLD		SILVER	
	Imports	Exports	Imports	Exports
	Rs.	Rs.	Rs.	Rs.
1900-01	11,89,80	11,05,59	12,67,87	3,17,15
1901-02	8,30,75	6,36,99	12,29,38	5,10,10
1902-03	13,19,24	4,43,78	12,18,65	5,22,98
1903-04	20,14,79	10,21,62	18,37,82	4,82,77
1904-05	21,81,20	12,10,61	17,69,62	4,32,27
1905-06	14,75,90	14,29,10	16,90,20	1,17,90
1906-07	18,53,34	3,67,73	26,04,64	2,04,09
1907-08	20,75,26	3,38,49	21,53,19	2,06,36
1908-09	8,40,42	4,04,88	14,34,00	2,27,15
1909-10	25,08,10	3,35,17	12,49,25	3,04,75
1910-11	27,89,25	3,91,39	11,84,34	3,21,31
1911-12	41,49,36	3,73,38	11,97,72	6,64,01
1912-13	41,29,08	7,28,96	20,54,10	3,34,22
1913-14	28,22,64	4,90,26	15,21,32	2,18,03
1914-15	10,70,38	3,05,64	11,10,45	2,23,30
1915-16	5,28,17	5,39,08	6,66,46	1,83,50
1916-17	13,33,79	10,25	25,11,48	6,31,47
1917-18	29,09,49	3,91,63	22,66,94	3,62,76
1918-19	2,27,63	7,84,00	69,08,92	1,17,02
1919-20	48,25,16	12,92,13	29,98,73	75,84
1920-21	23,57,38	21,46,56	11,11,82	4,70,57
1921-22	13,82,04	16,48,49	17,47,86	2,38,24
1922-23	41,32,39	13,31	20,94,33	2,58,86
1923-24	20,25,31	6,68	22,10,27	3,40,47
1924-25	74,28,98	36,32	24,28,07	4,20,67
1925-26	35,22,99	37,54	19,89,70	2,77,29
1926-27	19,50,12	10,07	21,76,34	1,89,54
1927-28	18,13,34	3,44	16,47,37	2,63,69
1928-29	21,21,90	2,03	15,92,18	6,15,11
1929-30	14,23,11	1,03	13,41,91	4,79,79
1930-31	13,24,66	49,34	13,46,63	3,38,70
1931-32	2,79,95	60,77,23	4,42,64	4,84,81
1932-33	1,31,81	66,84,09	1,62,95	3,64,26
1933-34	1,09,94	58,15,90	81,73	7,17,44
1934-35	71,93	53,25,68	3,51,04	9,85,74

**London-New York Cross Rate (£ per 100 dollars), Sterling-Franc rate
Price of Gold in London and in Bombay.**

		LONDON-NEW YORK CROSS RATE DOLLARS 10 POUND STERLING		STERLING-FRANC RATE FRANCES TO POUND		PRICE OF GOLD IN LONDON				PRICE OF COUNTRY BAR GOLD AT BOMBAY			
		Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest	Highest	Lowest
						£	s.	d.	£	s.	d.	Rs.	A. P.
April	1933 ...	386 $\frac{3}{4}$	345 $\frac{5}{16}$	90	85 $\frac{3}{4}$	6	2	6	5	18	0	30	0 0 29 2 6
May	.. ...	400	387 $\frac{1}{2}$	86 $\frac{1}{16}$	83 $\frac{7}{16}$	6	4	8	5	12	9	30	12 9 30 5 0
June	.. ...	438 $\frac{1}{4}$	339 $\frac{1}{8}$	86 $\frac{7}{8}$	85 $\frac{1}{4}$	6	2	6	6	2	0	30	6 6 30 2 3
July	.. ...	483 $\frac{7}{8}$	431 $\frac{1}{4}$	86 $\frac{3}{8}$	84 $\frac{11}{16}$	6	4	10	6	2	1 $\frac{1}{2}$	31	0 0 30 7 3
August	.. ...	462	440	85 $\frac{1}{8}$	81 $\frac{1}{16}$	6	9	4 $\frac{1}{2}$	6	4	0	32	3 0 30 12 0
September	.. ...	481	452 $\frac{3}{8}$	83 $\frac{1}{4}$	78 $\frac{11}{16}$	6	13	9	6	7	7	33	0 6 31 11 9
October	.. ...	478 $\frac{1}{4}$	450 $\frac{1}{2}$	83 $\frac{3}{8}$	77 $\frac{13}{16}$	6	14	8	6	8	1	33	3 9 32 2 6
November	.. ...	548 $\frac{1}{4}$	479 $\frac{1}{4}$	84 $\frac{3}{8}$	79 $\frac{3}{16}$	6	13	3	6	5	3 $\frac{1}{2}$	33	1 0 31 4 0
December	.. ...	518 $\frac{1}{4}$	501 $\frac{1}{8}$	84 $\frac{11}{16}$	82 $\frac{3}{16}$	6	7	0	6	4	8	31	8 0 31 1 0
January	1934 ...	515	495 $\frac{1}{4}$	83 $\frac{1}{2}$	79 $\frac{7}{16}$	6	12	11	6	6	6	32	14 0 31 4 6
February	.. ...	513 $\frac{3}{16}$	490 $\frac{1}{2}$	79 $\frac{1}{8}$	76 $\frac{13}{16}$	7	0	0	6	13	1	34	11 0 33 6 3
March	.. ...	512 $\frac{13}{16}$	506 $\frac{1}{4}$	77 $\frac{3}{4}$	76 $\frac{13}{16}$	6	17	7	6	16	0	34	0 3 33 10 6
April	.. ...	517 $\frac{7}{16}$	513 $\frac{1}{4}$	79 $\frac{9}{16}$	77 $\frac{21}{16}$	6	18	9	6	14	4	33	10 6 33 3 3
May	.. ...	512 $\frac{1}{2}$	506 $\frac{11}{16}$	77 $\frac{3}{4}$	77 $\frac{3}{8}$	6	17	0 $\frac{1}{2}$	6	15	8	34	2 3 33 9 9
June	.. ...	507 $\frac{1}{8}$	503 $\frac{1}{16}$	77 $\frac{3}{8}$	76 $\frac{28}{16}$	6	18	2 $\frac{1}{2}$	6	16	11 $\frac{1}{2}$	34	6 0 34 1 3
July	.. ...	505 $\frac{1}{4}$	503 $\frac{9}{16}$	76 $\frac{7}{16}$	77 $\frac{3}{4}$	6	18	0 $\frac{1}{2}$	6	17	5	34	5 3 34 1 9
August	.. ...	510 $\frac{1}{8}$	498 $\frac{7}{8}$	76 $\frac{1}{4}$	74 $\frac{53}{16}$	7	0	3	6	17	10	35	4 6 34 4 3
September	.. ...	510 $\frac{3}{8}$	496 $\frac{1}{4}$	75 $\frac{3}{8}$	74 $\frac{53}{16}$	7	1	7	7	0	5	35	4 0 34 13 3
October	.. ...	498 $\frac{1}{2}$	491 $\frac{3}{16}$	75 $\frac{65}{16}$	72 $\frac{28}{16}$	7	3	1	6	19	6	35	12 3 34 9 6
November	.. ...	500 $\frac{1}{2}$	497 $\frac{3}{4}$	75 $\frac{3}{8}$	75 $\frac{53}{16}$	6	19	10	6	19	2	34	12 3 34 9 0
December	.. ...	497 $\frac{7}{16}$	493 $\frac{9}{16}$	75 $\frac{1}{4}$	74 $\frac{71}{16}$	7	0	8	6	19	8 $\frac{1}{2}$	34	14 3 34 13 6
January	1935 ...	494 $\frac{5}{8}$	484	74 $\frac{9}{16}$	74 $\frac{9}{8}$	7	2	1	7	0	10 $\frac{1}{2}$	35	3 0 33 0 9
February	.. ...	488 $\frac{11}{16}$	484 $\frac{9}{16}$	74 $\frac{1}{4}$	72 $\frac{88}{16}$	7	3	11	7	2	0	35	9 6 35 0 0
March	.. ...	481 $\frac{13}{16}$	473 $\frac{1}{8}$	73 $\frac{15}{16}$	70 $\frac{96}{16}$	7	9	4	7	5	7	36	12 0 36 1 3

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York
(per fine ounce) for 1929-30 to 1934-35

Month	1929-30						1930-31						1931-32											
	BOMBAY			NEW YORK			BOMBAY			LONDON			NEW YORK			BOMBAY			LONDON			NEW YORK		
	Highest	Lowest	d.	Highest	Lowest	Cents	Highest	Lowest	d.	Highest	Lowest	Cents	Highest	Lowest	d.	Highest	Lowest	d.	Highest	Lowest	Cents			
April ...	Rs. 58 13	56 12	25½	56¼	55½	54½	56 14	52 15	19½	19½	42½	41½	43 14	41 11	13½	29¼	27¼							
May ...	57 6	56 2	25½	53	53½	53½	55 13	49 7	19½	17½	42½	37¼	43 10	41 15	13¼	28¾	26							
June ...	55 12	54 11	24½	53	51½	51½	49 4	44 4	16½	15½	37¼	33½	44 12	41 6	13½	29½	26¼							
July ...	56 6	51 8	24½	53½	51½	51½	44 14	45 5	16½	15½	35½	33½	44 10	42 14	13½	29¾	27¾							
August ..	55 5	54 12	24½	52½	52½	52½	47 9	45 14	16½	15½	34½	34½	44 0	42 11	13½	28¼	27¼							
September	54 14	52 12	21½	52¼	50½	50½	47 14	46 4	17	16½	37	35½	57 8	42 13	16¾	31	27½							
October...	52 11	51 11	23¼	50¼	46½	46½	47 5	46 10	16½	16¾	36½	35½	57 8	52 12	18½	30¾	27½							
November	51 14	51 2	22½	50	49¼	49¼	47 8	46 6	16½	16½	36½	35½	65 14	57 8	21½	37¼	29¾							
December	51 4	48 1	22½	49¾	46¾	46¾	49 5	43 0	16½	14½	35½	31½	63 8	60 6	20½	31½	28¾							
January...	50 4	46 8	21½	46¾	43¾	43¾	43 7	40 12	14½	13½	31½	28½	62 4	60 1	20½	30¾	29¼							
February	49 6	46 7	20½	44	42½	42½	43 1	38 10	13¼	12½	28¾	25¾	60 4	60 4	20	31	29½							
March ...	55 0	51 12	20	43½	39½	39½	45 5	41 5	14½	12½	31½	27	56 14	54 4	19¾	31	29							

Price of Silver—Bombay (per 100 tolas country bar), London (per Standard ounce) and New York
(per fine ounce) for 1929-30 to 1934-35—Contd.

Month	1932-33						1933-34						1934-35					
	BOMBAY			LONDON			BOMBAY			LONDON			BOMBAY			LONDON		
	Highest	Lowest		Highest	Lowest		Highest	Lowest		Highest	Lowest		Highest	Lowest		Highest	Lowest	
	Rs. A.	Rs. A.	Cents	Rs. A.	Rs. A.	Cents	Rs. A.	Rs. A.	Cents	Rs. A.	Rs. A.	Cents	Rs. A.	Rs. A.	Cents	Rs. A.	Rs. A.	Cents
April ...	55 12	52 8	17½	15½	16½	27½	59 0	54 14	20½	17¼	37¼	27	55 8	51 14	20¼	18¾	46½	41½
May ...	56 6	54 6	17½	16½	16½	27	59 0	55 15	20½	18½	36¼	32½	54 7	50 12	19½	18½	45½	41½
June ...	56 11	54 8	17	16½	16½	27½	58 2	56 11	19½	18½	36¼	34¼	55 9	54 6	21½	19½	46¼	44½
July ...	55 2	54 3	17¼	16½	16½	27	57 7	55 13	18½	17½	40¾	35½	58 4	56 11	21	20½	46¾	45¾
August ...	57 7	54 13	18½	17½	17½	26½	56 5	54 10	18½	17¼	37	35	60 11	57 8	21½	20½	49½	46½
September	57 4	55 1	18½	17½	17½	26½	56 12	55 7	18½	18½	40½	36½	61 10	60 2	22½	21½	50	49¼
October ...	56 10	55 12	18½	17½	17½	27½	56 9	56 0	18½	18	40	36½	67 11	61 7	24½	20¼	58½	48½
November	56 10	53 15	18½	17½	17½	25½	57 0	56 4	18½	18½	45	36½	67 12	64 4	25¼	23½	55¾	52¾
December	52 9	49 5	17¼	16½	16½	24¼	56 7	53 6	19½	18½	44½	42½	67 8	66 7	24½	23½	55½	53½
January ...	51 6	49 4	17½	15½	15½	26¼	55 9	53 15	19½	19½	45	48¼	65 13	61 10	24½	24½	55	54½
February	53 4	49 7	17½	16½	16½	27¼	56 14	54 7	20½	19¼	46¼	48½	63 6	61 0	25½	24½	55¼	53½
March ...	56 4	53 7	18½	17	17	26½	57 3	54 15	20¼	19½	48¼	45½	65 9	64 7	28½	26½	61¼	58½

Monthly rates for Telegraphic Transfers (Calcutta—London) from 1929-30 to 1934-35. (Pence per Rupee)

	1929-30			1930-31			1931-32			1932-33			1933-34			1934-35		
	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average	Highest	Lowest	Average
April	173 ¹ / ₃₂	172 ¹ / ₃₂	172 ¹ / ₃₂	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
May	172 ¹ / ₃₂	172 ¹ / ₃₂	172 ¹ / ₃₂	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
June	171 ¹ / ₈	171 ¹ / ₈	171 ¹ / ₈	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
July	171 ¹ / ₈	171 ¹ / ₈	171 ¹ / ₈	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
August	172 ¹ / ₃₂	172 ¹ / ₃₂	172 ¹ / ₃₂	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
September	172 ¹ / ₃₂	172 ¹ / ₃₂	172 ¹ / ₃₂	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
October	172 ¹ / ₃₂	172 ¹ / ₃₂	172 ¹ / ₃₂	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
November	172 ¹ / ₃₂	172 ¹ / ₃₂	172 ¹ / ₃₂	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
December	172 ¹ / ₃₂	172 ¹ / ₃₂	172 ¹ / ₃₂	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
January	171 ¹ / ₈	171 ¹ / ₈	171 ¹ / ₈	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
February	171 ¹ / ₈	171 ¹ / ₈	171 ¹ / ₈	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆
March	172 ¹ / ₃₂	172 ¹ / ₃₂	172 ¹ / ₃₂	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆	1713 ¹ / ₁₆

Monthly Purchase of Sterling from 1929-30 to 1934-35.

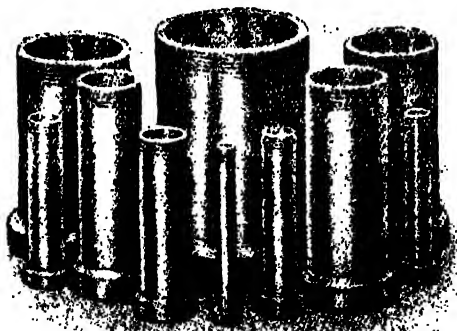
	1929-30			1930-31			1931-32			1932-33			1933-34			1934-35		
	Amount Thousand £	Average rate per rupee d.	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Average rate per rupee d.	Amount Thousand £	Average rate per rupee d.	Average rate per rupee d.
April	280	18	17 ⁸ / ₈	2,680	17 ⁸ / ₈	17 ⁸ / ₈	223	18 ¹ / ₂	18 ¹ / ₂	2,668	18 ¹ / ₂	18 ¹ / ₂	2,668	18 ¹ / ₂	18 ¹ / ₂	5,032	18 ¹ / ₂	18 ¹ / ₂
May	...	...	17 ⁸ / ₈	2,040	17 ⁸ / ₈	17 ⁸ / ₈	...	...	...	5,075	18 ¹ / ₂	18 ¹ / ₂	5,075	18 ¹ / ₂	18 ¹ / ₂	2,850	18 ¹ / ₂	18 ¹ / ₂
June	30	17 ⁸ / ₈	17 ⁸ / ₈	...	...	...	...	...	...	3,685	18 ¹ / ₂	18 ¹ / ₂	3,685	18 ¹ / ₂	18 ¹ / ₂	480	18 ¹ / ₂	18 ¹ / ₂
July	...	...	...	...	...	...	...	...	...	3,250	18 ¹ / ₂	18 ¹ / ₂	3,250	18 ¹ / ₂	18 ¹ / ₂	1,050	18 ¹ / ₂	18 ¹ / ₂
August	1,985	17 ⁸ / ₈	17 ⁸ / ₈	...	...	...	3,165	18 ¹ / ₂	18 ¹ / ₂	3,118	18 ¹ / ₂	18 ¹ / ₂	3,118	18 ¹ / ₂	18 ¹ / ₂	3,390	18 ¹ / ₂	18 ¹ / ₂
September	1,045	17 ⁸ / ₈	17 ⁸ / ₈	...	...	...	5,879	18 ¹ / ₂	18 ¹ / ₂	770	18 ¹ / ₂	18 ¹ / ₂	770	18 ¹ / ₂	18 ¹ / ₂	3,326	18 ¹ / ₂	18 ¹ / ₂
October	2,180	17 ⁸ / ₈	17 ⁸ / ₈	25	17 ⁸ / ₈	17 ⁸ / ₈	4,341	18 ¹ / ₂	18 ¹ / ₂	1,800	18 ¹ / ₂	18 ¹ / ₂	1,800	18 ¹ / ₂	18 ¹ / ₂	3,129	18 ¹ / ₂	18 ¹ / ₂
November	1,255	17 ⁸ / ₈	17 ⁸ / ₈	650	17 ⁸ / ₈	17 ⁸ / ₈	8,275	18 ¹ / ₂	18 ¹ / ₂	1,380	18 ¹ / ₂	18 ¹ / ₂	1,380	18 ¹ / ₂	18 ¹ / ₂	3,640	18 ¹ / ₂	18 ¹ / ₂
December	7,725	17 ⁸ / ₈	17 ⁸ / ₈	...	...	...	7,686	18 ¹ / ₂	18 ¹ / ₂	7,683	18 ¹ / ₂	18 ¹ / ₂	7,683	18 ¹ / ₂	18 ¹ / ₂	7,650	18 ¹ / ₂	18 ¹ / ₂
January	190	17 ⁸ / ₈	17 ⁸ / ₈	...	...	...	3,754	18 ¹ / ₂	18 ¹ / ₂	8,695	18 ¹ / ₂	18 ¹ / ₂	8,695	18 ¹ / ₂	18 ¹ / ₂	3,105	18 ¹ / ₂	18 ¹ / ₂
February	525	17 ⁸ / ₈	17 ⁸ / ₈	...	...	...	7,126	18 ¹ / ₂	18 ¹ / ₂	7,089	18 ¹ / ₂	18 ¹ / ₂	7,089	18 ¹ / ₂	18 ¹ / ₂	2,775	18 ¹ / ₂	18 ¹ / ₂
March	...	...	...	...	...	...	6,209	18 ¹ / ₂	18 ¹ / ₂	...	...	...	...	...	...	37,542	...	...
TOTAL	15,215	...	...	5,305	...	...	40,049	...	...	35,733	...	...	45,158	...	...	...	...	...

Monthly Sales and Discharges of Treasury Bills, 1930-31 to 1934-35
(In Lakhs of Rs.)

Month	1930-31		1931-32		1932-33		1933-34		1934-35	
	Sales	Discharges	Sales	Discharges	Sales	Discharges	Sales	Discharges	Sales	Discharges
April ...	7,77	4,60	26,54	22,86	21,73	15,95	3,43	10,04	9,55	7,56
May ...	12,90	4,95	24,26	9,55	13,97	15,84	3,79	8,56	5,00	7,02
June ...	14,23	10,02	18,75	17,07	6,00	12,74	9,46	7,45	1,00	18,57
July ...	10,28	11,96	19,69	11,89	16,71	22,19	9,83	3,43	3,37	9,61
August ...	12,92	15,34	16,79	15,79	5,77	15,97	9,51	3,77	17,24	5,86
September	20,60	18,80	9,76	19,21	10,82	6,36	13,35	10,46	8,96	20
October	18,27	9,74	19,14	31,27	8,82	3,32	6,57	8,88	7,71	3,36
November	9,71	9,48	17,51	17,76	7,27	1	10,55	9,50	12,23	17,22
December	10,10	15,51	8,25	10,17	4,50	1	12,39	13,35	5,51	8,99
January ...	12,80	10,13	13,25	20,91	10,12	29,54	7,50	6,49	8,51	7,61
February	8,20	12,72	16,38	20,93	8,44	10,21	7,06	12,91	7,25	12,30
March ...	21,26	16,42	10,95	11,65	7,45	10,87	18,68	10,07	2,50	5,55

STONEWARE PIPES

(MANUFACTURED TO B.S.S. NO. 65/1914)



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12, MISSION ROW, CALCUTTA

Composition of the Gold Standard Reserve on the 31st March of each of the years 1930-31 to 1934-35.

(Figures £)

	31st March	1930-31	1931-32	1932-33	1933-34	1934-35
Cash at the Bank of England		1,085	29	897	568	2,137
British Treasury Bills and other British and Dominion Government Securities		31,599,381	10,694,637	26,220,796	37,847,098	37,815,529
Gold						
{ In England	...	2,152,334	2,152,331	2,152,334	2,152,334	2,152,334
{ In India	...	6,247,200	27,153,000	11,626,000	...	...
TOTAL	...	40,000,000	40,000,000	40,000,000	40,000,000	40,000,000

Balance of the Government of India with the Treasuries and the Imperial Bank of India

(In Lakhs of Rupees)

At the end of		1930-31		1931-32		1932-33		1933-34		1934-35	
		Treasuries	Imperial Bank	Treasuries	Imperial Bank	Treasuries	Imperial Bank	Treasuries	Imperial Bank	Treasuries	Imperial Bank
April	...	2,61	17,51	2,64	12,15	2,12	7,15	2,41	14,66	2,18	7,66
May	...	2,43	15,15	2,23	17,31	2,08	7,44	2,28	7,13	2,06	10,22
June	...	2,17	13,72	2,22	15,73	2,07	18,94	2,12	5,67	2,09	7,70
July	...	2,10	22,69	2,26	21,13	2,03	19,46	1,98	9,26	2,05	7,73
August	...	2,38	16,43	2,41	19,45	1,94	13,94	1,95	8,78	1,88	7,01
September	...	1,96	12,48	2,27	8,86	2,06	13,83	2,05	7,11	2,16	8,23
October	...	2,08	15,19	2,17	8,44	1,81	8,26	2,15	6,11	2,03	9,80
November	...	2,07	8,70	2,25	7,29	2,05	5,95	1,99	7,09	1,89	7,10
December	...	2,07	7,19	2,04	8,06	1,94	6,84	2,08	6,24	1,89	6,57
January	...	2,33	8,17	2,07	6,85	2,19	8,38	2,14	7,25	2,13	6,53
February	...	2,81	7,51	2,26	7,78	2,40	7,08	2,48	7,23	1,78	7,32
March	...	3,80	13,49	4,55	8,13	3,71	11,02	3,99	7,90	3,30	12,85

Amounts and Distribution of Treasury Balances and Reserves of the Government of India, 1930-31 to 1934-35.

(In Lakhs of Rupees)

	1930-31		1931-32		1932-33		1933-34		1934-35	
	Opening Balance	Closing Balance	Opening Balance	Closing Balance	Opening Balance	Closing Balance	Opening Balance	Closing Balance	Opening Balance	Closing Balance
Treasury Balance...	34,27	24,69	24,69	33,84	33,84	27,78	27,78	32,77	32,77	27,12
Paper Currency Reserve :—										
Silver	1,10,96	1,24,80	1,24,80	1,11,19	1,11,19	1,11,86	1,11,86	97,99	97,99	90,38
Gold	32,27	25,85	25,85	5,26	5,29	25,99	25,99	41,53	41,53	41,53
Securities	33,85	10,19	10,19	57,94	57,94	39,05	39,05	37,70	37,70	54,17
Gold Standard Reserve :—										
Gold	2,87	11,20	11,20	39,07	39,07	18,37	18,37	2,87	2,87	2,87
Securities	50,46	42,13	42,13	14,26	14,26	34,96	34,96	50,46	50,46	50,46

Composition of Paper Currency Reserve (In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	GOLD		SILVER		Total	SECURITIES			Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Coin	Bullion		Rupee Securities	Sterling Securities			
1914											
March	66,12	22,44	9,15	20,59	...	31,59	20,58	4,00	...	...	47.8
April	65,46	20,34	9,15	21,97	...	29,49	21,97	4,00	...	...	45.1
May	66,77	18,91	9,15	24,71	...	28,06	24,71	4,00	...	...	42.0
June	70,26	18,00	9,15	29,11	...	27,15	29,11	4,00	...	...	38.6
July	75,45	18,36	9,15	33,94	...	27,51	33,94	4,00	...	...	36.5
August	65,79	6,16	7,65	37,98	...	13,81	37,98	4,00	...	...	21.0
September	60,52	3,92	7,65	34,95	...	11,57	34,95	4,00	...	...	19.1
October	60,78	6,34	7,65	32,79	...	13,09	32,79	4,00	...	...	23.0
November	61,19	8,86	7,65	30,68	...	16,51	30,68	4,00	...	...	27.0
December	60,83	9,31	7,65	29,87	...	16,96	29,87	4,00	...	...	27.9
1915											
January	60,26	8,31	7,65	30,30	...	15,96	30,30	4,00	...	...	26.5
February	59,55	6,71	7,65	31,19	...	14,86	31,19	4,00	...	...	24.1
March	61,68	7,64	7,65	32,31	...	15,29	32,31	4,00	...	...	24.8
April	60,24	7,69	7,65	30,90	...	15,34	30,90	4,00	...	...	25.5
May	61,99	7,75	7,65	32,59	...	15,40	32,59	4,00	...	...	24.8
June	66,48	7,77	7,65	37,06	...	15,42	37,06	4,00	...	...	23.2
July	68,06	7,82	6,15	40,09	...	13,97	40,09	4,00	...	...	20.5
August	66,41	6,34	6,15	39,92	...	12,49	39,92	4,00	...	...	18.8
September	63,81	3,91	6,15	37,75	...	12,06	37,75	4,00	...	...	18.9
October	63,59	7,05	6,15	36,39	...	13,20	36,39	4,00	...	...	20.8
November	62,06	8,31	6,15	33,60	...	14,46	33,60	4,00	...	...	23.8
December	62,34	12,71	6,15	29,44	...	18,90	29,44	4,00	...	...	30.3

Composition of Paper Currency Reserve—(Contd.)
(In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	GOLD		SILVER		Total	SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Coin	Bullion		Rupee Securities	Sterling Securities		
1916										
January ...	62.42	12.74	8.18	26.02	...	26.02	10.00	5.48	...	38.5
February ...	64.01	12.58	8.93	24.00	...	24.00	10.00	8.50	...	38.6
March ...	67.73	12.24	11.92	23.06	51	23.57	10.00	10.00	...	35.8
April ...	65.47	12.25	11.92	18.55	1.47	20.02	10.00	11.28	...	36.9
May ...	66.31	12.12	11.92	17.68	1.53	19.21	10.00	13.06	...	36.3
June ...	71.39	12.51	11.92	22.43	1.47	23.90	10.00	13.06	...	34.2
July ...	75.48	12.29	11.92	26.83	1.38	28.21	10.00	13.06	...	32.1
August ...	74.01	11.66	11.92	26.81	56	27.37	10.00	13.06	...	31.9
September	71.55	10.99	11.92	24.24	1.84	25.58	10.00	13.06	...	32.0
October	73.32	12.56	11.92	23.97	1.67	25.64	10.00	13.06	...	33.4
November	76.50	12.38	11.92	18.07	1.89	19.96	10.00	22.24	...	31.8
December	82.17	11.92	11.92	14.39	2.98	17.37	10.00	30.96	...	29.0
1917										
January ...	84.36	12.57	10.42	15.04	2.44	17.48	10.00	33.88	...	27.3
February	86.76	12.17	8.92	15.82	2.52	18.34	10.00	37.32	...	24.8
March ...	86.37	12.00	6.67	17.08	2.13	19.21	10.00	38.49	...	21.6
April ...	82.72	11.39	5.17	13.67	1.70	15.37	10.00	40.78	...	20.0
May ...	88.31	9.94	5.17	14.68	85	15.53	10.00	47.67	...	17.1
June ...	93.29	7.07	4.80	19.61	68	20.24	10.00	51.17	...	12.7
July ...	99.31	7.03	4.42	25.90	48	26.38	10.00	51.48	...	11.5
August ...	1,03.15	12.12	2.55	28.55	45	29.00	10.00	51.48	...	14.0
September	1,08.43	15.86	1.52	28.88	69	29.57	10.00	51.48	...	16.0
October	1,14.77	21.91	1.92	28.88	58	29.46	10.00	51.48	...	20.8
November	1,12.93	24.65	2.90	24.01	49	24.50	10.00	51.48	...	23.9
December	1,08.31	26.73	1.04	18.27	79	19.00	10.00	51.48	...	21.7

Composition of Paper Currency Reserve—(Contd.)
(In Lakhs of Rs.)

Last day of Month	Gross Note Circulation	GOLD		SILVER		Total	SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Coin	Bullion		Rupee Securities	Sterling Securities		
1918										
January	1,04,82	27,19	1,04	14,92	19	15,11	10,00	51,48	...	26.9
February	1,03,46	28,30	67	12,56	43	13,01	10,00	51,48	...	28.0
March	99,79	26,85	67	10,40	39	10,79	10,00	51,48	...	27.6
April	1,05,96	22,54	45	7,25	6,46	13,72	10,00	59,19	...	21.8
May	1,11,53	19,12	45	5,11	10,42	15,56	10,00	64,16	...	17.5
June	1,14,79	21,04	45	5,56	9,29	14,95	10,00	68,40	...	16.7
July	1,21,41	20,21	12	8,02	10,40	18,42	10,00	72,65	...	16.7
August	1,31,41	20,33	12	11,18	13,78	24,96	10,00	76,00	...	15.5
September	1,34,38	20,38	12	12,38	15,50	27,88	10,00	76,00	...	15.3
October	1,36,43	20,41	12	10,49	19,42	29,91	10,00	73,99	...	15.0
November	1,40,76	20,45	12	8,48	25,71	34,19	10,00	76,00	...	14.6
December	1,47,09	19,68	12	10,56	21,57	32,13	12,66	82,50	...	13.5
1919										
January	1,49,74	18,91	12	11,38	20,54	32,12	16,08	82,50	...	13.4
February	1,51,48	18,14	12	13,50	21,15	34,65	16,08	82,50	...	12.1
March	1,53,46	17,37	12	16,66	20,73	37,39	16,08	82,50	...	11.4
April	1,53,72	14,55	3,00	18,01	19,35	37,59	16,08	82,50	...	11.4
May	1,55,18	16,11	1,50	19,61	19,36	38,99	16,08	82,50	...	11.4
June	1,62,76	17,69	...	23,55	22,94	46,49	16,08	82,50	...	10.9
July	1,67,11	19,13	...	28,49	20,91	49,40	16,08	82,50	...	11.4
August	1,68,92	19,26	9	31,48	19,51	50,99	16,08	82,03	...	11.4
September	1,71,86	18,45	2,92	31,35	16,62	50,97	17,03	82,50	...	12.4
October	1,75,29	19,25	5,59	35,59	15,33	50,92	17,03	82,50	...	14.2
November	1,79,67	23,54	9,16	32,81	14,60	37,44	17,03	82,50	...	18.2
December	1,82,91	20,61	10,10	29,64	14,03	44,67	17,03	82,50	...	21.7

Composition of Paper Currency Reserve—(Contd.)

In Lakhs of Rs.

Last day of Month	Gross Note Circulation	GOLD			SILVER			SECURITIES			Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities	Internal Bills of Exchange	
1920											
January	1,85,15	35,10	11,62	46,72	28,38	11,05	40,83	15,60	82,50	...	25.2
February	1,88,08	41,80	4,65	45,95	29,85	9,14	38,99	15,60	82,50	...	25.1
March	1,74,52	41,86	3,45	47,81	33,22	6,63	39,85	19,50	67,27	...	27.4
April	1,70,74	45,38	95	46,33	33,81	5,56	39,37	23,77	61,27	...	27.1
May	1,66,92	42,86	74	43,60	37,10	4,27	41,37	31,18	50,77	...	26.1
June	1,64,34	43,48	2,49	45,97	41,94	3,61	45,55	35,55	37,27	...	28.0
July	1,63,87	44,02	...	44,02	46,75	3,61	50,36	40,62	28,27	...	27.2
August	1,63,27	39,12	...	39,12	51,62	3,67	55,29	47,83	21,53	...	24.0
September	1,57,63	36,15	...	36,15	54,34	3,72	58,06	47,14	16,28	...	22.9
October	1,53,58	23,75	...	23,75	55,60	3,81	59,41	68,07	8,35	...	14.9
November	1,60,21	23,86	...	23,86	56,05	3,88	59,93	68,07	8,35	...	14.9
December	1,61,40	23,89	...	23,89	57,13	3,96	61,09	68,07	8,35	...	14.8
1921											
January	1,63,41	21,00	...	21,00	58,25	4,04	62,99	68,07	8,35	...	14.7
February	1,64,60	21,06	...	21,06	60,03	4,09	64,12	68,07	8,35	...	14.6
March	1,66,16	21,17	...	21,17	61,42	4,14	65,36	68,07	8,35	...	14.5
April	1,67,82	21,26	...	21,26	62,45	4,20	66,65	68,05	8,35	...	14.5
May	1,67,81	24,30	...	24,30	62,97	4,20	67,17	67,99	8,35	...	14.5
June	1,71,76	24,35	...	24,35	66,87	4,20	71,07	67,99	8,35	...	14.2
July	1,75,56	24,85	...	24,85	70,60	4,21	74,81	68,05	8,35	...	13.9
August	1,76,02	21,85	...	21,85	72,19	4,21	73,40	66,92	8,35	...	13.8
September	1,78,97	21,84	...	21,84	71,55	4,21	76,76	66,92	8,35	...	13.6
October	1,79,72	24,34	...	24,34	75,76	4,21	79,97	67,06	8,35	...	13.5
November	1,78,48	21,83	...	21,83	74,20	4,21	78,41	64,40	6,34	...	14.0
December	1,72,53	24,32	...	24,32	69,76	4,21	73,97	68,40	5,85	...	14.1

Composition of Paper Currency Reserve.—(Contd.)

(In Lakhs of Rupees)

(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD		SILVER		Total	SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Coin	Bullion		Rupee Securities	Sterling Securities		
1924										
January	1,84,02	22,32	...	76,49	5,69	22,32	57,52	14,00	8,00	12'1
February	1,86,19	22,32	...	74,64	5,70	22,32	57,53	14,00	12,00	12'0
March	1,85,85	22,32	...	74,18	5,82	22,32	57,53	14,00	12,00	12'0
April	1,81,88	22,32	...	71,50	5,99	22,32	57,53	14,00	10,00	12'8
May	1,74,51	22,32	...	70,56	6,10	22,32	57,53	14,00	4,00	12'8
June	1,72,49	22,32	...	72,47	6,18	22,32	57,53	14,00	...	12'9
July	1,76,24	22,32	...	76,23	6,34	22,32	57,85	14,00	...	12'7
August	1,78,13	22,32	...	78,06	6,42	22,32	57,84	14,00	...	12'5
September	1,79,26	22,32	...	79,15	6,48	22,32	57,81	14,00	...	12'4
October	1,80,98	22,32	...	80,07	6,47	22,32	57,13	15,00	...	12'3
November	1,80,06	22,32	...	78,13	6,49	22,32	57,13	16,00	...	12'4
December	1,79,21	22,32	...	74,21	6,56	22,32	57,13	17,00	2,00	12'4
1925										
January	1,81,12	22,32	...	71,11	6,56	22,32	57,13	20,00	4,00	12'8
February	1,83,72	22,32	...	69,51	6,77	22,32	57,13	20,00	8,00	12'2
March	1,84,19	22,32	...	70,02	6,73	22,32	57,13	20,00	8,00	12'1
April	1,79,61	22,32	...	67,40	6,77	22,32	57,13	20,00	6,00	12'4
May	1,73,23	22,32	...	66,95	6,80	22,32	57,16	20,00	...	12'9
June	1,78,25	22,32	...	71,86	6,89	22,32	57,18	20,00	...	12'5
July	1,84,80	22,32	...	77,85	6,95	22,32	57,18	20,00	...	12'1
August	1,88,21	22,32	...	81,79	6,99	22,32	57,12	20,00	...	11'9
September	1,89,51	22,32	...	83,04	7,05	22,32	57,11	20,00	...	11'8
October	1,91,77	22,32	...	83,21	7,13	22,32	57,11	22,00	...	11'6
November	1,89,68	22,32	...	80,02	7,23	22,32	57,11	23,00	...	11'8
December	1,91,76	22,32	...	76,06	7,27	22,32	57,11	26,00	...	11'6

Composition of Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD			SILVER		Total	SECURITIES		Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion		Rupee Securities	Sterling Securities		
1926											
January	...	22,32	...	22,32	75,88	7,97	82,75	57,11	29,00	...	11'67
February	...	22,32	...	22,32	75,91	7,42	83,38	57,11	29,00	...	11'63
March	...	22,32	...	22,32	77,25	7,66	84,91	57,11	29,00	...	11'54
April	...	22,32	...	22,32	77,04	7,66	84,70	57,11	21,00	...	12'05
May	...	22,32	...	22,32	78,85	7,75	86,60	57,16	21,00	...	12'00
June	...	22,32	...	22,32	83,05	7,87	90,92	57,20	21,00	...	11'65
July	...	22,32	...	22,32	88,91	7,94	96,85	57,31	21,00	...	11'80
August	...	22,32	...	22,32	91,96	7,87	99,83	57,88	21,00	...	11'13
September	...	22,32	...	22,32	94,86	7,87	1,02,73	57,40	14,00	...	11'86
October	...	22,32	...	22,32	96,83	8,04	1,04,87	52,60	14,00	...	11'50
November	...	22,32	...	22,32	97,52	8,04	1,05,56	51,27	10,00	...	11'80
December	...	22,32	...	22,32	95,32	8,20	1,03,52	49,77	5,57	...	12'30
1927											
January	...	22,32	...	22,32	94,47	8,34	1,02,81	49,77	5,57	...	12'37
February	...	22,32	...	22,32	94,64	8,44	1,03,08	49,77	5,57	2,00	12'35
March	...	22,32	...	22,32	95,94	8,53	1,04,47	49,77	5,57	2,00	12'25
April	...	29,76	...	29,76	95,53	8,86	1,04,39	37,46	2,10	...	17'13
May	...	29,76	...	29,76	95,20	8,92	1,04,12	35,46	2,10	...	17'36
June	...	29,76	...	29,76	98,36	8,99	1,07,35	35,46	...	...	17'24
July	...	29,76	...	29,76	1,03,36	9,06	1,12,42	35,45	...	...	16'75
August	...	29,76	...	29,76	1,06,00	8,90	1,14,90	35,63	19	...	16'49
September	...	29,76	...	29,76	1,07,34	7,85	1,14,69	36,35	1,02	...	16'37
October	...	29,76	...	29,76	1,08,27	7,31	1,15,58	36,75	1,29	...	16'25
November	...	29,76	...	29,76	1,06,33	7,17	1,13,50	36,89	1,40	...	16'40
December	...	29,76	...	29,76	1,01,11	7,42	1,08,53	36,92	3,43	4,00	16'66

Composition of Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	GOLD			SILVER			SECURITIES			Percentage of Gold to Note Circulation
	Gross Note Circulation	In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities	Internal Bills of Exchange
1928										
January ...	1,86,02	29,76	.....	29,76	98,46	7,47	1,05,93	37,89	4,44	8,00
February ...	1,85,78	29,76	.....	29,76	98,70	7,57	1,06,26	37,89	3,77	8,00
March ...	1,84,87	29,76	.....	29,76	98,72	7,66	1,06,38	37,96	3,77	7,00
April ...	1,82,78	29,76	.....	29,76	96,11	6,66	1,02,77	38,98	3,77	7,50
May ...	1,83,01	29,76	.....	29,76	94,58	6,30	1,00,88	39,60	3,77	9,00
June ...	1,77,16	29,76	.....	29,76	97,45	3,59	1,01,04	41,84	4,52	.....
July ...	1,80,79	29,76	.....	29,76	1,00,79	2,31	1,03,13	42,73	5,17	.....
August ...	1,82,90	29,76	.....	29,76	1,02,51	2,71	1,05,22	42,60	5,32	.....
September ...	1,84,60	29,76	.....	29,76	1,04,02	2,87	1,06,89	42,34	5,61	.....
October ...	1,84,66	29,76	.....	29,76	1,03,81	3,02	1,06,83	42,33	5,74	.....
November ...	1,83,15	30,09	.....	30,09	1,01,13	3,76	1,04,89	42,33	5,84	.....
December ...	1,80,00	31,10	.....	31,10	96,16	4,62	1,00,78	43,27	6,85	7,00
1929										
January ...	1,80,74	32,21	.....	32,21	94,67	4,88	99,55	43,27	7,71	7,00
February ...	1,92,47	32,21	.....	32,21	94,85	5,11	99,96	43,27	10,53	6,30
March ...	1,88,03	32,22	.....	32,22	94,91	4,95	99,89	43,23	10,69	2,00
April ...	1,83,66	32,22	.....	32,22	94,90	4,48	99,38	43,23	8,83	.....
May ...	1,84,16	32,22	.....	32,22	95,40	4,17	99,57	43,23	9,14	.....
June ...	1,87,71	32,22	.....	32,22	97,77	4,88	1,02,65	43,22	9,62	.....
July ...	1,85,72	32,22	.....	32,22	1,03,82	4,62	1,08,44	43,19	1,87	.....
August ...	1,85,20	32,22	.....	32,22	1,07,23	4,38	1,11,81	39,13	2,04	.....
September ...	1,86,80	32,22	.....	32,22	1,08,05	4,95	1,13,00	39,17	2,41	.....
October ...	1,84,83	32,22	.....	32,22	1,08,93	4,65	1,13,58	36,32	2,71	.....
November ...	1,80,77	32,22	.....	32,22	1,07,19	3,97	1,11,16	36,32	2,07	.....
December ...	1,79,44	32,22	.....	32,22	1,03,77	4,28	1,08,05	37,33	1,81	.....

Composition of Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD		Total	SILVER		Total	SECURITIES			Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India		Coin	Bullion		Rupee Securities	Sterling Securities	Total		
1930												
January ...	1,80,21	32,27	...	32,27	1,04,29	2,33	38,85	2,47	1,06,62	.....	.....	17.91
February ...	1,81,60	32,27	...	32,27	1,05,60	1,82	38,88	2,94	1,07,51	.....	.....	17.77
March ...	1,77,23	32,27	...	32,27	1,08,11	2,85	33,85	15	1,10,96	.....	.....	18.20
April ...	1,73,90	32,27	...	32,27	1,07,22	3,38	30,74	30	1,10,60	.....	.....	18.55
May ...	1,67,78	32,28	...	32,28	1,07,04	3,48	24,36	62	1,10,52	.....	.....	19.24
June ...	1,63,73	32,28	...	32,28	1,08,91	3,48	18,33	73	1,12,39	.....	.....	19.10
July ...	1,68,26	32,28	...	32,28	1,13,37	3,49	18,39	73	1,16,86	.....	.....	19.18
August ...	1,68,87	32,28	...	32,28	1,15,43	5,25	14,68	1,23	1,20,68	.....	.....	19.11
September...	1,71,47	32,28	...	32,28	1,13,92	5,83	15,59	1,85	1,21,75	.....	.....	18.82
October ...	1,70,14	32,28	...	32,28	1,17,47	5,63	12,73	2,03	1,23,10	.....	.....	18.97
November ...	1,64,84	32,28	...	32,28	1,16,90	5,76	8,67	1,23	1,22,66	.....	.....	19.58
December ...	1,61,34	31,74	...	31,74	1,14,00	5,39	9,61	.....	1,19,99	.....	.....	19.67
1931												
January ...	1,58,20	26,21	...	26,21	1,15,32	5,80	9,87	.....	1,21,12	1,00	.....	16.67
February ...	1,56,53	23,77	...	23,77	1,16,09	6,58	10,09	.....	1,22,67	.....	.....	15.18
March ...	1,60,84	25,85	...	25,85	1,17,86	6,94	10,19	.....	1,24,80	.....	.....	16.00
April ...	1,60,14	27,54	...	27,54	1,18,20	7,20	7,20	.....	1,25,40	.....	.....	17.20
May ...	1,54,79	20,21	...	20,21	1,19,61	7,83	7,14	.....	1,27,44	.....	.....	18.05
June ...	1,52,54	17,14	...	17,14	1,22,44	7,59	5,37	.....	1,30,03	.....	.....	11.23
July ...	1,55,65	16,56	...	16,56	1,25,66	6,90	6,53	.....	1,32,56	.....	.....	10.64
August ...	1,53,58	12,37	...	12,37	1,26,94	5,11	9,16	.....	1,32,05	.....	.....	14.63
September	1,46,74	4,21	...	4,21	1,26,81	5,73	9,49	.....	1,32,54	2,50	.....	2.88
October ...	1,59,75	4,30	...	4,30	1,24,65	6,92	23,88	.....	1,31,57	.....	.....	2.77
November ...	1,62,85	4,48	...	4,48	1,21,61	7,44	28,52	.....	1,29,05	.....	.....	2.76
December ...	1,79,30	4,57	...	4,57	1,15,04	7,94	49,25	.....	1,22,98	2,50	.....	2.58

Composition of the Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD		SILVER			SECURITIES			Internal Bills of Exchange	Percentage of Gold to Note Circulation
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities		
1932											
January	1,79,16	4,83	...	4,83	1,08,88	6,93	1,15,83	55,00	...	3,50	2'74
February	1,79,54	4,92	...	4,92	1,04,11	8,09	1,12,20	59,42	...	3,00	2'78
March	1,78,14	5,26	...	5,26	1,01,96	9,22	1,11,18	57,94	...	3,75	3'01
April	1,68,31	5,53	...	5,53	1,00,81	9,69	1,10,50	52,28	...	...	3'27
May	1,68,47	10,71	...	10,71	99,83	10,67	1,10,50	47,26	...	...	6'35
June	1,70,85	10,78	...	10,78	1,01,30	10,58	1,11,88	48,19	...	...	6'32
July	1,74,23	10,86	...	10,86	1,03,64	10,75	1,14,39	48,98	...	...	6'26
August	1,75,58	11,11	...	11,11	1,04,04	10,98	1,15,02	49,45	...	...	6'32
September	1,75,77	11,34	...	11,34	1,03,01	12,28	1,15,29	49,14	...	...	6'43
October	1,75,85	11,53	...	11,53	1,02,06	12,86	1,14,92	49,40	...	...	6'54
November	1,75,63	11,75	...	11,75	1,00,49	12,48	1,12,97	50,91	...	...	6'72
December	1,74,80	18,58	...	18,68	97,83	12,83	1,10,66	45,46	...	...	10'70
1933											
January	1,74,33	25,52	...	25,52	96,26	13,28	1,09,54	39,27	...	...	14'64
February	1,75,25	25,68	...	25,68	96,03	14,34	1,10,37	39,20	...	...	14'65
March	1,76,90	25,99	...	25,99	96,34	15,52	1,11,86	39,05	...	...	14'70
April	1,76,66	26,26	...	26,26	95,70	15,88	1,11,58	38,82	...	...	14'80
May	1,75,69	26,45	...	26,45	94,27	14,94	1,09,21	40,03	...	...	15'05
June	1,76,57	29,07	...	29,07	93,92	9,52	1,03,44	44,06	...	...	16'45
July	1,78,88	29,13	...	29,13	95,28	9,84	1,05,12	44,63	...	...	16'30
August	1,79,76	29,31	...	29,31	95,45	9,96	1,05,41	43,04	...	...	16'30
September	1,79,70	29,51	...	29,51	94,61	10,16	1,04,77	43,42	...	...	16'40
October	1,80,04	29,70	...	29,70	94,33	9,91	1,04,24	45,19	...	...	16'50
November	1,79,64	30,24	...	30,24	92,97	10,30	1,03,27	46,13	...	...	16'80
December	1,78,11	30,51	...	30,51	90,74	10,49	1,01,23	46,37	...	...	17'10

Composition of the Paper Currency Reserve.—(Contd.)
(In Lakhs of Rupees)

Last day of Month	Gross Note Circulation	GOLD		SILVER		SECURITIES					
		In India	Out of India	Total	Coin	Bullion	Total	Rupee Securities	Sterling Securities	Internal Bills of Exchange	Percentage of Gold to Note Circulation
1934											
January	...	1,77,99	37,32	...	89,61	10,70	1,00,31	40,36	...	...	21'00
February	...	1,77,29	37,56	...	87,81	11,13	98,94	40,79	...	...	21'20
March	...	1,77,22	41,53	...	86,49	11,50	97,99	29,45	8,25	...	23'40
April	...	1,76,86	41,55	...	85,51	11,83	97,34	29,46	8,51	...	23'47
May	...	1,79,39	41,53	...	83,94	12,37	96,31	29,84	11,69	...	23'17
June	...	1,80,97	41,55	...	84,22	12,95	97,17	30,18	11,97	...	23'00
July	...	1,83,80	41,55	...	85,69	13,70	99,39	30,65	12,21	...	22'60
August	...	1,84,89	41,55	...	85,91	13,24	99,15	31,51	12,68	...	22'47
September	...	1,85,06	41,55	...	85,26	13,29	98,15	31,96	13,00	...	22'46
October	...	1,85,64	41,55	...	84,40	13,41	97,81	32,84	13,44	...	22'38
November	...	1,85,56	41,55	...	83,19	13,54	96,73	33,21	14,07	...	22'40
December	...	1,83,91	41,55	...	80,85	14,23	95,08	33,04	14,24	..	22'59
1935											
January	...	1,83,53	41,55	...	80,04	13,82	93,86	33,82	14,35	...	22'63
February	...	1,83,21	41,55	...	78,55	12,93	91,48	33,61	14,57	...	22'68
March	...	1,86,19	41,55	...	77,25	13,13	90,38	35,90	18,27	...	22'32

Rates of Discount of Central Banks of certain countries 1932-33 to 1934-35.

(Rates Per cent)

End of	1932-33										1933-34										1934-35									
	UNITED STATES					UNITED STATES					UNITED STATES					UNITED STATES					UNITED STATES					UNITED STATES				
	F. R. B. rate for 60—90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy	United Kingdom	F. R. B. rate for 60—90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy	F. R. B. rate for 60—90 days Paper	F. R. B. average rate	Germany	France	British India	Japan	Switzerland	Italy	United Kingdom				
April	...	3	3.43	5	2.5	5	5.84	2	6	2	3	3.47	4	2.5	3½	4.38	2	4	1.5	2.5	4	3	3.5	3.65	2	3	2			
May	...	3	3.44	5	2.5	5	5.84	2	5	2	2.5	3.44	4	2.5	3½	4.38	2	4	1.5	2.5	4	2.5	3.5	3.65	2	3	2			
June	2.5	3.45	5	2.5	5	5.11	2	5	2	2.5	3.20	4	2.5	3½	4.38	2	4	1.5	2.5	4	2.5	3.5	3.65	2	3	2		
July	2.5	3.36	5	2.5	4	5.11	2	5	2	2.5	3.17	4	2.5	3½	3.65	2	4	1.5	2.5	4	2.5	3.5	3.65	2	3	2		
August	2.5	3.36	5	2.5	4	4.38	2	5	2	2.5	3.17	4	2.5	3½	3.65	2	4	1.5	2.5	4	2.5	3.5	3.65	2	3	2		
September	2.5	3.35	4	2.5	4	4.38	2	5	2	2.5	3.17	4	2.5	3½	3.65	2	3.5	1.5	2.5	4	2.5	3.5	3.65	2	3	2		
October	2.5	3.36	4	2.5	4	4.38	2	5	2	2	3.12	4	2.5	3½	3.65	2	3.5	1.5	2.5	4	2.5	3.5	3.65	2	3	2		
November	2.5	3.36	4	2.5	4	4.38	2	5	2	2	2.94	4	2.5	3½	3.65	2	3.5	1.5	2.5	4	2.5	3.5	3.65	2	4	2		
December	2.5	3.36	4	2.5	4	4.38	2	5	2	2	2.92	4	2.5	3½	3.65	2	3	1.5	2.46	4	2.5	3.5	3.65	2	4	2		
January	2.5	3.33	4	2.5	4	4.38	2	4	2	2	2.92	4	2.5	3½	3.65	2	3	1.5	2.22	4	2.5	3.5	3.65	2	4	2		
February	3.5	3.33	4	2.5	3.5	4.38	2	4	2	1.5	2.64	4	3	3½	3.65	2	3	1.5	2.18	4	2.5	3.5	3.65	2	4	2		
March	3.0	3.49	4	2.5	3.5	4.38	2	4	2	1.5	2.52	4	3	3½	3.65	2	3	1.5	2.18	4	2.5	3.5	3.65	2	4	2		

Gold and foreign assets reserves of certain principal countries during 1934-35

(Figures in millions of units)

END OF	UNITED STATES		UNITED KINGDOM		GERMANY		FRANCE		CANADA		SWITZERLAND		BRITISH INDIA (Government)		
	Federal Reserve Banks and Government		Bank of England		Reichsbank		Gold Foreign Assets		Government		Gold Foreign Assets		Gold Foreign Assets		
	Other Gold Reserves		Gold		Gold Foreign Assets		Funds available at sight		Chartered Banks		Gold Foreign Assets		At Home Abroad		
	Dollars	£'s	Reichsmark	Francs	Dollars	Francs	Dollars	Francs	Rupees	At Home	Abroad	Rupees			
April	93 4,188	1,381	192'1 203	7	73,736	14	1,032	72	54	3	1,634	3	1,15	29	807
May	" 90 4,504	1,394	192'1 130	6	77,466	14	1,080	72	54	11	1,631	7	1,15	29	808
June	" 89 4,531	1,610	192'1 70	7	79,548	15	1,142	73	53	18	1,631	9	1,15	29	780
July	" 86 4,595	1,685	192'2 75	3	80,252	15	1,144	73	54	5	1,642	15	1,15	29	788
August	" 84 4,628	1,712	192'3 75	4	82,037	13	1,069	72	54	14	1,785	21	1,15	29	766
Sept.	" 82 4,630	1,712	192'5 75	1	82,281	10	952	72	54	12	1,808	21	1,15	29	807
October	" 80 4,646	1,726	192'7 83	4	82,476	10	921	73	55	1	1,902	19	1,15	29	903
Nov.	" 79 4,724	1,803	192'7 79	1	82,097	9	951	74	55	16	1,910	17	1,15	29	789
Dec.	" 77 4,789	1,866	192'8 79	5	82,124	11	952	74	55	(17)	1,910	7	1,15	29	805
Jan.	1935 75 4,880	1,955	193'1 80	5	82,014	10	952	73	56	(-15)	1,838	3	1,15	29	856
Feb.	" 74 4,992	2,036	193'1 80	5	82,040	10	951	73	56	...	1,794	7	1,15	29	878
March	"	"	"	"	"	"	"	"	"	"	"	"	1,15	29	...

(a) According to old parity (\$ 1 = 130.463 grammes of fine gold)

(a) According to old parity (\$ 1 = 1'30,463 gramme of fine gold)

Market Rates of Discount of certain Principal Countries 1932-33 to 1934-35—(Contd.)
(Monthly average is the average of daily quotations.)

	Switzerland (Zurich), Market Discount 8 months' bill			Commercial Paper 4—6 months			United States (New York)			Bankers' Acceptances 90 days.			India Bazar Bill Rate		
	Max.	Min.	Monthly average	Max.	Min.	Monthly average	Max.	Min.	Monthly average	Max.	Min.	Monthly average	Calcutta	Bombay	Beginning of month
1932															
April	1.50	1.50	1.50	3.75	3.25	3.73	2.13	.88	1.45	.88	7-8	6	7-8	3.4	6
May	1.50	1.50	1.50	3.50	2.75	3.27	1.13	.85	.93	.85	7-8	3.4	7-8	4.2	3.4
June	1.50	1.50	1.50	3.0	2.50	2.94	.88	.88	.88	.88	7-8	3.4	7-8	3.4	3.4
July	1.50	1.50	1.50	2.75	2.25	2.51	.75	.75	.75	.75	6-7	3.4	6-7	3.4	3.4
August	1.50	1.50	1.50	2.50	2.0	2.32	.75	.75	.75	.75	6-7	3	6-7	3	3
September	1.50	1.50	1.50	2.25	2.0	2.25	.75	.75	.75	.75	6-7	3	6-7	3	3
October	1.50	1.50	1.50	2.25	1.75	2.07	.50	.50	.50	.50	6-7	3	6-7	3	3
November	1.50	1.50	1.50	1.75	1.50	1.73	.50	.50	.50	.50	6-7	3.4	6-7	3.4	3.4
December	1.50	1.50	1.50	1.75	1.25	1.64	.38	.38	.38	.38	6-7	4.8	6-7	4.8	4.8
1933															
January	1.50	1.50	1.50	1.50	1.25	1.38	.38	.25	.31	.25	6-7	4.2	6-7	4.2	4.2
February	1.50	1.50	1.50	1.50	1.25	1.38	.63	.25	.44	.44	6-7	3.4	6-7	3.4	3.4
March	1.50	1.50	1.50	4.50	1.50	3.0	3.68	1.13	2.88	2.88	6-7	4.8	6-7	4.8	4.8
April	1.50	1.50	1.50	3.25	2.0	2.68	2	.5	.88	.88	6-7	4.8	6-7	4.8	4.8
May	1.50	1.50	1.50	2.5	2.0	2.13	.5	.5	.5	.5	6-7	4.2	6-7	4.2	4.2
June	1.50	1.50	1.50	2.0	1.5	1.75	.375	.375	.375	.375	7-8	3.4	7-8	3.4	3.4
July	1.50	1.50	1.50	1.75	1.5	1.63	.5	.375	.44	.44	6-7	3.4	6-7	3.4	3.4
August	1.50	1.50	1.50	1.5	1.5	1.5	.5	.25	.44	.44	6-7	2.1	6-7	2.1	2.1
September	1.50	1.50	1.50	1.5	1.25	1.38	.25	.25	.25	.25	6-7	2.1	6-7	2.1	2.1
October	1.50	1.50	1.50	1.25	1.25	1.25	.25	.25	.25	.25	6-7	2.1	6-7	2.1	2.1
November	1.50	1.50	1.50	1.5	1.25	1.25	.5	.25	.38	.38	6-7	2.1	6-7	2.1	2.1
December	1.50	1.50	1.50	1.5	1.25	1.38	.6	.5	.6	.6	6-7	2.8	6-7	2.8	2.8
1934															
January	1.50	1.50	1.50	1.5	1.25	1.38	.5	.5	.5	.5	6-7	4.8	6-7	4.8	4.8
February	1.50	1.50	1.50	1.5	1.25	1.38	.5	.5	.5	.5	6-7	4.2	6-7	4.2	4.2
March	1.50	1.50	1.50	1.5	1.00	1.13	.5	.25	.36	.36	6-7	6	6-7	6	6
April	1.50	1.50	1.50	1.25	1	1.13	.25	.13	.19	.19	6-7	6	6-7	6	6
May	1.50	1.60	1.50	1.00	1	1.00	.25	.13	.19	.19	6-7	6	6-7	6	6
June	1.50	1.50	1.50	1.00	.75	.88	.25	.13	.19	.19	6-7	6	6-7	6	6
July	1.50	1.50	1.50	1.00	.75	.88	.25	.13	.19	.19	6-7	3	6-7	3	3
August	1.50	1.50	1.50	1.00	.75	.88	.25	.13	.19	.19	6-7	3	6-7	3	3
September	1.10	1.50	1.50	1.00	.75	.88	.25	.13	.19	.19	6-7	3	6-7	3	3
October	1.50	1.50	1.50	1.00	.75	.88	.19	.13	.16	.16	6-7	3.4	6-7	3.4	3.4
November	1.50	1.50	1.50	1.00	.75	.88	.13	.13	.16	.16	6-7	3.4	6-7	3.4	3.4
December	1.50	1.50	1.50	1.00	.75	.88	.13	.13	.13	.13	6-7	5.4	6-7	5.4	5.4
1935															
January	1.50	1.50	1.50	1.00	.75	.88	.13	.13	.13	.13	6-7	5.4	6-7	5.4	5.4
February	1.50	1.50	1.50	.75	.75	.75	.23	.13	.13	.13	6-7	6.4	6-7	6.4	6.4
March	1.50	1.50	1.50	...	...	...	...	...	...	...	7-8	6.4	7-8	6.4	6.4

Prices of representative securities of the Government of India and of the British 4% Funding Loan (1960-90)

	1927-28										1928-29										1929-30										1930-31									
	3½% Rupee Paper					4% British Funding Loan (1960-90)					3½% Rupee Paper					4% British Funding Loan (1960-90)					3½% Rupee Paper					4% British Funding Loan (1960-90)					3½% Rupee Paper					4% British Funding Loan (1960-90)				
	H	L	H	L	H	II	L	H	L	H	L	H	L	H	L	II	L	H	L	H	L	H	L	II	L	H	L	II	L	H	L	II	L	H	L	II	L	H	L	
April	...	79.5	78.11	87.1	86.1	92.1	88.1	72.4	71.3	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
May	...	79.4	77.13	87.1	86.1	90.1	88.1	72.5	71.3	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
June	...	79.1	77.12	87.1	86.1	91.1	89.1	71.6	71.4	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
July	...	78.1	77.7	87.1	86.1	90.1	89.1	68.7	67.6	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
August	...	77.13	75.12	87.1	86.1	90.1	89.1	68.8	67.6	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
September	...	76.5	75.7	87.1	86.1	90.1	89.1	68.9	67.6	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
October	...	76.6	75.2	87.1	86.1	90.1	89.1	68.13	67.14	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
November	...	76.5	75.10	87.1	86.1	90.1	89.1	68.6	67.15	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
December	...	75.9	74.6	87.1	86.1	90.1	89.1	68	67.12	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
January	...	76.2	75.2	87.1	86.1	91.1	90.1	68	67.12	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
February	...	76.3	75.13	87.1	86.1	91.1	90.1	65.10	64.11	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1
March	...	76	75.6	87.1	86.1	88.1	86.1	69.10	64.9	87.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1	86.1	88.1

a) Quotations nominal.

Note.—'H' means 'Highest' and 'L' 'Lowest'.

**Statement showing the interest-bearing obligations of the Government of India at the close of
each financial year ending 31st March.**

	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935
	<i>(In Crores of rupees)</i>									
In India										
Loans (a)	368.3	374.4	372.3	390.7	405.1		422.7	446.91	435.43	438.28
Treasury bills in the hands of the public ...	...	...	7.6	1.0	36.0	55.1	47.5	26.09	33.31	18.27
Treasury bills in the Paper Currency Reserve ...	49.6	41.5	31.9	39.2	29.2	5.9	49.7	35.48	25.93	36.07
Ways and Means Advances ...	...	...	...	...	...	...	9.5	...	...	...
Total Loans, etc.	417.9	415.9	411.8	433.9	470.3	478.5	529.1	508.48	494.67	492.62
Others Obligations--										
Post Office Savings Banks ...	27.2	29.5	32.7	34.5	37.1	37.0	38.2	43.33	52.32	59.50
Cash Certificates ...	21.0	26.7	30.7	32.3	35.0	38.4	44.6	55.63	63.71	66.23
Provident Fund, etc. ...	46.4	51.0	55.8	60.5	65.4	70.3	73.0	76.55	82.19	88.36
Depreciation and Reserve Funds ...	15.5	20.1	25.5	31.1	30.2	21.4	17.6	16.85	13.01	14.83
Provincial Balance (b) ...	11.8	10.5	10.5	10.4	10.2	6.1	4.3	4.66	6.17	5.59
Total other Obligations	121.9	137.8	155.2	168.8	177.9	173.2	177.8	197.02	217.64	231.51
Total in India	539.8	553.7	567.0	602.7	648.2	651.7	707.2	705.50	712.31	727.13
	<i>(In millions of £)</i>									
In England										
Loans (a) ...	266.4	265.1	272.3	283.3	289.0	316.8	313.6	314.32	321.01	323.57
War Contribution ...	18.3	17.8	17.3	16.7	16.7	16.7	16.7	16.72	16.72	16.72
Capital value of Liabilities undergoing redemption by way of terminable Railway annuities ...	...	...	54.8	53.4	51.9	50.3	48.7	47.06	45.35	43.58
India Bills ...	...	...	...	...	6.0	...	...	...	...	...
Imperial Bank of India Loans	...	...	...	...	...	4.1	...	...	...	...
Provident Funds, etc. ...	...	0.3	0.2	0.4	...	0.7	0.8	0.92	1.03	1.15
Total in England	312.4	339.4	344.6	353.8	366.1	...	379.8	379.02	384.11	385.02
	<i>(In Crores of rupees)</i>									
Equivalent at 1s. 6d. to the Rupee	456.6	452.5	459.5	471.8	488.2	518.1	506.5	503.36	512.15	513.36
Total interest bearing Obligation	996.4	1,006.2	1,026.4	1,074.5	1,136.5	1,169.9	1,213.6	1,210.86	1,224.46	1,240.49
Interest yielding Assets held against the above obligations	...	...	...	...	...	...	...	...	...	...
(i) Capital advanced to Railways ...	605.5	635.5	668.6	709.7	730.8	744.0	750.73	751.54	754.94	756.84
(ii) Capital advanced to other Commercial Depts. ...	17.8	19.2	20.7	21.8	22.7	23.7	23.75	24.49	22.23	23.71
(iii) Capital advanced to Provinces ...	114.6	120.2	126.3	137.5	142.6	151.8	163.64	171.79	175.20	179.22
(iv) Capital advanced to Indian States and other interest-bearing loans	11.8	12.1	13.9	15.5	17.6	19.4	20.29	21.05	21.11	21.26
Total interest yielding Assets	749.8	786.9	829.5	875.5	913.7	938.9	958.41	968.87	974.48	981.03
Cash, Bullion, and Securities held on Treasury Account	52.0	30.5	24.3	24.3	45.4	34.0	41.42	35.07	50.73	63.32
Balance of total interest-bearing obligations not covered by above Assets	193.6	181.8	172.5	170.6	177.4	197.0	216.5	206.92	199.25	195.94

(a) These figures represent the nominal amounts of loans outstanding and also include comparatively small amounts of expired loans which do not bear interest.

(b) The figures represent those portions of Provincial balances which bear interest either because they form part of the Old Famine Insurance Fund or the present Famine Relief Fund or because they have been placed with the Government of India on fixed deposit.

(c) Includes the liability assumed by the Secretary of State for the Great Indian Peninsula Railway Debenture Stock, aggregating 3½ millions, on the termination of the Contract with that Railway on 1st July, 1939. It therefore does not represent any increase in the foreign indebtedness of the country as a whole.

(d) Includes 4.88 crores on account of the liability referred to in (c) above.

Imperial Bank of India Official rates of interest.

1923		per cent.	Average for whole year.	1928		per cent.	Average for whole year
11th January	...	8	5.947	21st June	...	6	6.196
25th May	...	7		19th July	...	5	
31st May	...	6		15th November	...	6	
7th June	...	5		13th December	...	7	
23th June	..	4		1929			
15th November	..	5	6.682	14th February	...	8	6.328
29th November	...	6		11th April	...	7	
20th December	...	7		9th May	...	6	
1924				6th June	...	5	
3rd January	...	8		10th October	...	6	
14th February	..	9	6.887	31st October	..	7	5.887
10th April	...	8		1930			
29th May	...	7		3rd April	...	6	
19th June	...	6		10th July	...	5	
3rd July	..	5		20th November	...	6	
31st July	..	4	5.642	1931			7.046
21st August	...	5		22nd January	...	7	
16th October	...	6		28th May	...	6	
1925				6th August	...	7	
22nd January	..	7		24th September	..	8	
21st May	...	6	4.825	1932			5.021
18th June	..	5		14th January	...	7	
2nd July	...	4		25th February	...	6	
24th September	...	5		28th April	...	5	
3rd December	...	6		7th July	...	4	
1926			5.720	1933			3.563
20th May	..	5		From 16th February	...	3½	
10th June	...	4		31st December	...	3½	
1927				1934			
1st January	...	5					
13th January	...	6	5.720				3.5
10th February	..	7					
2nd June	...	6					
23rd June	...	5					
28th July	...	4					
8th September	...	5					
8th December	...	6					
2nd December	...	7					

Indian Money Rates at the beginning of each month from 1929-30 to 1934-35

	1929-30		1930-31		1931-32		1932-33		1933-34		1934-35						
	CALL MONEY RATE		CALL MONEY RATE		CALL MONEY RATE		CALL MONEY RATE		CALL MONEY RATE		CALL MONEY RATE						
	Imperial Bank Rate	Calcutta Bombay Bank rate	Imperial Bank rate	Calcutta Bombay Bank rate	Imperial Bank rate	Calcutta Bombay Bank rate	Imperial Bank rate	Calcutta Bombay Bank rate	Imperial Bank rate	Calcutta Bombay Bank rate	Imperial Bank rate	Calcutta Bombay Bank rate					
April ...	8	5	6½	6	5	6	7	4½-5	6½	6	3½	5½	3½	2	3½	3½	8
May ...	7	2½	3½	6	4½-4½	5	7	4½	6½	5	3	5	3½	3½	2½	3½	1½
June ...	6	1½	3½	6	4½	5	6	5	5½	5	2½	3½	3½	1½	1½	3½	1
July ...	5	1½	1½	6	4½	5	6	4	4½	5	2	4	3½	3½	4	3½	1½
August ...	5	Nil	1½	5	2½	2½	6	4½	5	4	2	2	3½	1½	1	3½	1½
September	5	1½	1½	5	1½	2	7	4	5½	4	1½	1½	3½	1½	½	3½	1
October ...	5	2½	3-3½	5	2½	2½	8	5	6½	4	1½	1	3½	3½	3	3½	1
November	7	2	2½	5	2½	2	6	4	4½	4	1½	2	3½	1½	1	3½	1½
December	7	1½	4½	6	2	2½	5	4-4½	6½	4	1½	1	3½	1½	2	3½	1½
January ...	7	3	5	6	3	3	5	4½-5	6½	4	1½	1½	3½	3½	2½	3½	3
February ...	7	4½	5½	6½	7	3½	1	3½	5	4	1	1	3½	2½	2½	3½	1
March ...	7	7	7	4	7	4½	2	3½	4	3½	3	3	3½	2½	2½	3½	1

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General Manager.

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TRADE SECTION:

FOREIGN TRADE

The foreign trade of India has shown an improvement in more than one respect during the year 1934-35. There has been an increase in 1934-35 in exports, re-exports and imports over the level of 1933-34. Though it is, doubtless, gratifying as showing an improvement in India's foreign markets and as holding forth the promise of a continuance of recovery in the coming years, it must not be forgotten that imports have increased during the year far more than exports and that, as a result, there has been a fall in the balance of trade in merchandise. At the same time, the net exports of treasure from India have been on the decline, with the result that the balance of trade in merchandise and treasure has undergone during the year under review a very considerable shrinkage. It may be said, therefore, that, though India's foreign trade was far better in 1934-35 than in the previous year India has come out worse. For the continued dependence on gold exports and the shrinkage in the favourable balance of trade point to a general weakening of the economic position of India *vis-a-vis* the foreign countries. There is some consolation in the fact that during the last two years there has been not only a decline in exports of treasure from the country, but also an increase in exports. The present position may, therefore, be said to be complicated only to the extent that imports have had a rise disproportionate to the rise in exports. This is a question to which we shall have occasion to return later in the course of this review. But, for the present, it is well to note that the improvement in exports is more than balanced by an increase in imports and that the improvement in the total foreign trade is nearly out-weighted by a shrinkage in the favourable balance of trade.

On the whole, the foreign trade of India during the last two years makes mixed showing. While, during these years of the depression we have reduced to a very large extent our dependence on foreign sources,

for iron and steel, sugar and cotton piece-goods and, to that extent, improved the economic position of the country both internally and *vis-a-vis* the foreign countries there has also been a shrinkage in the foreign markets for India's export staples. To assess the changes in the foreign trade of India from the broader standpoint of the national economy as a whole, is obviously outside the scope of this article. But it is necessary to look at those changes in this perspective to avoid the danger of exaggerating the value of such improvement as has occurred during the last two years.

We may now turn to consider the foreign trade of India as such. In this view, the most noticeable feature is the continued increase in the value of India's exports. In our review of 1933-34 we observed that "it is the first year in the last quinquennium to record a definite improvement in the foreign trade of India over the previous years." It is to the credit of 1934-35 that it has kept up the upward trend. The value of exports has increased from Rs. 132.45 crores in 1932-33 to Rs. 146.32 crores in 1933-34 and to Rs. 151.22 crores in 1934-35. But, it should be remembered that exports in 1934-35 compare unfavourably with those of 1931-32 which, it should be remembered, comes within the depression period. A similar trend is noticeable in re-exports also, which have increased from Rs. 3.21 crores in 1932-33 to Rs. 3.42 crores in 1934-35. Here again 1934-35 is found to lag behind 1931-32, when re-exports amounted to as much as Rs. 4.66 crores. The trend of the import trade is in many respects different from that in the case of exports. For, it will be remembered that 1934-35 saw a decline in imports to Rs. 115.38 crores from Rs. 132.60 crores in 1932-33. But 1934-35 has seen an increase to Rs. 132.25 crores which compare very favourably with Rs. 126.34 crores in 1931-32 and which is only slightly under the figure for 1932-33. From all this, one

may easily guess the fluctuations in our balance of trade in merchandise. The most serious drop under this head was in 1932-33, when it fell to Rs. 3.06 crores from Rs. 34.21 crores in 1931-32. The trend was more favourable thereafter as 1933-34 recorded a balance of trade in merchandise of Rs. 34.36 crores. But during the year under review it has fallen to Rs. 22.42 crores, owing to causes which we have already explained. It is interesting to note that the balance of trade in merchandise for 1934-35 compares with Rs. 60.77 crores in 1930-31 and such a record figure as Rs. 151.34 crores in 1925-26.

In the period following September 1931, when India along with Great Britain abandoned the gold standard, the most decisive factor in our balance of payments position has been the net exports of treasure from the country. An adverse balance on this account had been a feature of India's foreign trade from time immemorial, till September 1931 when the position was reversed. Even during 1930-31, which was distinctly a depression year, the balance of transaction in treasure was Rs. 21.55 crores to the disadvantage of India. The following year recorded a favourable balance of Rs. 35.66 crores; and this is all the more remarkable as the export of gold from India began only in the month of October. In 1932-33 the export of treasure increased to Rs. 64.08 crores; but in the following year it declined to Rs. 57.23 crores; and in 1934-35 the contribution which the trade in Treasure made to India's favourable balance was only Rs. 55.09 crores.

The total balance of trade in merchandise and treasure in the year under review therefore, comes to only Rs. 77.51 crores as against Rs. 91.59 crores in the previous year and Rs. 68.04 crores in 1932-33. Though the export of treasure is hardly a matter for gratification, one cannot help wishing that 1934-35 had shown an improvement in the favourable balance of trade.

The changes in the trade in silver have of late come to have an interest independent of their place in the balance of trade position. The imports of gold during 1933-34 amounted to 135,000 ounces valued at Rs. 110 lakhs. The figures for 1934-35 are considerably less at 80,000 ounces and Rs. 32 lakhs. As against this India exported during 1934-35, 5,574,000 ounces against 6,830,000 ounces in 1933-34. The value of exports of gold naturally declined during the last two years from Rs. 58.15 crores to Rs. 53.26 crores. As

regards silver, it is well-known that export of silver have come to assume a new importance. The year 1934-35 was a period of rising silver prices. From the middle of 1934, it became clear that the influence of the silver bloc on the policy of the Administration was becoming more and more effective and the silver Purchase Act was passed authorising the Treasury to carry out a programme of purchasing silver with a view to take up its price to the level of 1.29 dollars per ounce and restore a proportion between gold and silver of three to one in America's currency reserves. The exports of silver from India during the month of June 1934 amounted to 21 lakhs of ounces against 10 lakhs in May and 7 lakhs of ounces in April. Thereafter the exports of silver have been maintained at about the same level as June, with a record export of 70 lakhs of ounces in February last. The total exports of silver from India for the year 1934-35 amounted to Rs. 273 lakhs of ounces against 70 lakhs of ounces in 1933-34. The value of silver exports, therefore, increased from Rs. 80 lakhs to Rs. 4.08 crore. Against this, the imports amounted to only 81 lakhs in 1933-34 and 192 lakhs in 1934-35.

It will be seen that the net exports of silver from India amount to Rs. 216 lakhs in 1934-35. The exports of silver have figured so largely during the year under review, that it is expected in certain quarters that, as and when the gold exports cease, silver may be able to make in large part the deficiency thus caused in India's exports. But towards the middle of the year 1935, the upward trend in the price of silver was checked in view of the reluctance which the American Government have lately shown in pursuing their original programme of the purchase of silver. It seems highly doubtful whether silver will, at any time, be able to play a role in the foreign trade of India at all comparable with the place which the exports of gold occupied during the depression years.

We may now proceed to assess the balance of payments position during the year 1934-35. We have already pointed out that the exports of merchandise amounted to Rs. 151.24 crores in 1934-35 and re-exports to Rs. 3.55 crores. Imports of foreign merchandise, which have been given in an earlier portion of this article at Rs. 132.25 crores however, include a sum of Rs. 49 lakhs on account of the value of railway materials imported

direct by State railways working under Company Management which was not paid for in the ordinary way and cannot, therefore, be taken into account in arriving at the balance of trade. Taking the imports of foreign merchandise for this purpose at Rs. 131.76 crores, the total balance of trade in merchandise for the purposes of calculating the balance of payments can only be put at Rs. 23.03 crores against Rs. 34.73 crores in 1933-34 and Rs. 3.22 crores in 1932-33, all in favour of India. The net exports of gold on private account amounted to Rs. 52.55 crores from Rs. 2.5 crores in 1933-34 and 1932-33 respectively. The net exports of silver amounted to Rs. 2.16 crores against a net import of Rs. 1 lakh in 1933-34 and a net import of Rs. 73 lakhs in 1932-33. With the exports of currency notes at Rs. 37 crores, the balance of transaction in treasure comes to Rs. 55.07 crores in 1933-34 and Rs. 64.93 crores in 1932-33. The total visible balance of trade thus comes to Rs. 78.10 crores in the year under review against Rs. 91.96 crores and Rs. 68.15 crores in the two previous years. On the remittance account Council Bills, purchases of sterling and other Government remittances amounted to Rs. 49.82 crores and other sundry items to a net figure of Rs. 4 lakhs in favour of India. The balance of remittances of funds therefore amounted to Rs. 49.78 crores against India in 1934-35 against Rs. 64.44 crores in 1933-34 and Rs. 48.63 crores in 1932-33.

Exports of raw jute rose in volume during the year 1934-35 but not to the same extent as in the previous year. While 1933-34 recorded an off-take of Indian jute of 748,168 tons against 563,063 tons in 1932-33 only 752,474 tons were exported during 1934-35. The increase in volume was off-set by a decrease in value from Rs. 10.93 crores to Rs. 10.87 crores. This compares well with Rs. 9.73 crores in 1932-33. It is interesting to note that none of the bigger customers for India's raw jute increased their off-take during the year under review. The United Kingdom accounted for 166,376 tons in 1932-33 against 177,193 tons in 1933-34. Germany reduced her purchases from 165,411 tons to 105,529 tons. There was a similar fall in the case of Belgium from 55,935 tons to 50,827 tons. Exports to France fell off from 83,666 tons to 82,846 tons. Even in the case of the United States of America, there was a decline from 51,701 tons to 51,555 tons. Japan and Italy were the only big customers who increased their im-

ports of Indian jute—the former from 17,345 tons to 23,303 tons and the latter from 65,076 tons to 86,958 tons. While the bigger customers have been disappointing, the smaller countries have more than made up for the loss, with the result that the year under review records a rise in the exports of jute over the previous year. Spain, which recorded a fall in 1933-34 from 1932-33, increased her purchases from 35,625 tons to 42,862 tons. Greece, Hongkong, China, Egypt, the Argentine and Australia and the "other countries" all recorded increases. It should be added here that in the case of Germany the fall would not be so marked, if the total of "for orders cargoes" which amounts to 40,355 tons were added to her share.

In jute manufactures, exports of gunny bags showed an improvement both in volume and value. The former increased from 381,000 tons to 396,000 tons and the latter from Rs. 9.72 lakhs to Rs. 10.25 lakhs. The volume and value for the year 1932-33 were 398,000 tons and Rs. 11.16 crores respectively. The value of exports to the United Kingdom increased from Rs. 9.25 lakhs to Rs. 102.88 lakhs, which, however, compares unfavourably with Rs. 107.28 lakhs in 1932-33. In the case of Belgium, there was a falling off in the value from Rs. 19.78 lakhs to Rs. 16.06 lakhs. The biggest decrease was in the case of the Straits Settlements which took only Rs. 12.45 lakhs worth against Rs. 35.49 lakhs in the previous year. Siam tripled her purchases of gunny cloth from India, the value having risen from Rs. 31.47 lakhs in 1932-33 and Rs. 30.73 lakhs in 1933-34 to Rs. 98.18 lakhs in 1934-35. Exports to Japan rose in value from Rs. 13.62 lakhs to Rs. 41.40 lakhs. Australia, which is the largest buyer of gunny cloth, has reduced her purchases during the last three years, the value having fallen from Rs. 2.95 crores in 1932-33 to Rs. 2.13 crores in 1933-34 and Rs. 1.63 crores in 1934-35. It is significant that in this case also the miscellaneous countries have made up for the deficiencies of the bigger customers. As regards gunny cloth, there has been the depressing phenomenon of a slight rise in volume with a considerable fall in value. The former rose from 280,386 tons to 280,666 tons, while the value fell from Rs. 11.38 crores to Rs. 10.99 crores. The only countries to record an increase are the Union of South Africa, the Argentine Republic, Peru and Australia. In the other cases there has been a uniform fall; and it is interesting

that "other countries" in these cases also have recorded an increase in off-takes. Exports to the United States of America fell off from Rs. 6.59 crores to Rs. 5.93 crores. In the case of the United Kingdom there has been a fall from Rs. 63.00 lakhs to Rs. 57.28 lakhs and thence to Rs. 53.35 lakhs.

Exports of tea increased both in volume and value during this period, though the rise in value is less in extent than the rise in volume. The volume increased from 317.8 million lbs. to 324.8 million lbs. in 1934-35, though the figures for these two years are much below the level of 1923-33 when 378.8 million lbs. were exported. In the case of tea also there has been a fall in the case of the bigger consumers of Indian tea. Great Britain in a refreshing exception, since her off-take has increased from 276.2 million lbs. to 286.9 million lbs., but this appears, unfavourable compared with that of 330.6 million lbs. in 1932-33. Arabia has increased her imports of Indian tea from 556,000 lbs. to 1.15 million lbs., but this increase must be considered in relation to the serious fall from 1.7 million lbs. in 1932-33 to .5 million lbs. 1933-34. There was also a remarkable fall in the case of Iran from 1.07 million lbs. to 325,000 million lbs. Exports to Egypt have declined during the last three years from 2 million to 1.2 million lbs. and thence to 617,000 lbs. Canada has reduced her imports during the three years from 16.7 million lbs. to 15.13 million lbs. and in 1934-35 to 12.8 million lbs. Exports to Australia in 1934-35 amounted to 1.58 million lbs. against 1.98 million lbs. in the previous year. New Zealand also shows a fall from 2.5 million lbs. to 1.1 million lbs. The biggest fall is in the case of the U. S. S. R. The Soviet Republic imported 3.5 million lbs. of Indian tea in 1932-33 but in the following year reduced it to .7 million lbs. and in the year under review the exports amounted to only 40,000 lbs.

Exports of raw cotton are, perhaps, the brightest feature of India's foreign trade in 1934-35. This is only to be expected for raw cotton is the chief, if not altogether the only, beneficiary of the two trade pacts which are now under operation, the Indo-Japanese trade agreement and the unofficial understanding known as the Mody-Lees Pact which has lately had official recognition. The former provides for moveable quotas for the import of Japanese piecegoods into India and the imports of raw cotton from this country into

Japan. The latter contains an assurance, not the less binding because of its not being rigid, that Great Britain will do her best to increase Lancashire's consumption of Indian cotton and to carry on the propaganda necessary for that purpose. With two of the biggest cotton textile manufacturing countries in the world bound down to larger imports of India's raw cotton, it is no wonder that the last three years have recorded a consistent increase in our exports of that commodity. Export of raw cotton have, in fact, gone up from 2.04 million bales in 1932-33 to 2.73 million bales in 1933-34. 1934-35 recorded an export of 3.44 million bales. The value has also risen from Rs. 20.37 crores to Rs. 26.59 crores and thence to Rs. 34.49 crores. The biggest share of the increase is, of course, Japan's, who has nearly doubled her off-take of Indian cotton from 1.83 lakhs of tons to 3.59 lakhs of tons with a consequent increase in the value from Rs. 10.53 crores to Rs. 21.08 crores. The largest fall has been in case of Germany and China, the former having reduced her purchases of Indian cotton from .44 lakhs tons to .27 lakhs tons and the latter from .60 lakhs tons to .25 lakhs tons. The United States of America has increased her imports of Indian cotton from 5,099 tons to 5,792 tons. It is interesting to note that in the case of the United Kingdom, the increase in the volume of exports of cotton is only from 61,037 tons to 61,933 tons. Among the Continental countries, Belgium increased her off-take from 25,756 tons to 27,263 tons, but France shows a decline from 28,690 tons to 26,391 tons. Spain shows a similar fall but Italy increased her off-take from 46,555 tons to 49,598 tons which compares so favourably with 26,814 tons in 1932-33.

In cotton manufactures, piece-goods have shown an improvement, while twist and yarn have suffered a set-back. Only 12.8 million lbs. of the latter worth Rs. 62.72 lakhs were exported during the year against 63.69 million lbs. worth Rs. 81.72 lakhs in 1933-34. The figures for 1934-35 compare even more unfavourably with those of 1932-33, when 15.11 million lbs of cotton twist and yarn were exported making up a value of Rs. 78.65 lakhs. Among the countries which take more than 1 million lbs. of cotton twist and yarn from India, Iran records the greatest fall from 4.35 million lbs. to 1.56 million lbs.; Syria recorded an increase from 2.81 million lbs. to 3.45 million lbs.; Aden and dependencies reduced their imports of Indian yarn

from 2.14 million lbs. to 1.48 million lbs. In this case also the miscellaneous countries have increased their offtake from 1.97 million lbs. to 2.26 million lbs. The United Kingdom is responsible for a very considerable decline from 440,000 to 236,000 lbs.

Exports of piecegoods recorded a slight increase in value from Rs. 1.66 crores to Rs. 1.76 crores; but the latter figure is still considerably below the level of Rs. 2.08 crores in 1932-33. The volume of exports of piecegoods however, increased from 56.46 million yards to 57.69 million yards against 66.44 million yards in 1932-33. The largest importer of Indian piecegoods namely, Ceylon increased her offtake from 13.38 million yards to 17.91 million yards and the value accordingly rose from Rs. 50 lakhs to Rs. 61.77 lakhs. It need hardly be mentioned that the increase in the imports of piecegoods in the case of Ceylon is due to the quota system which that country introduced under pressure from the British Government and the consequent reduction of export of Japanese piecegoods and the preferential advantage given to the Indian manufacturer. The countries which have recorded a decline are Iraq (4.74 to 2.39 million yards), Arabia (4.38 to 3.55 million), Iran (8.94 to 6.03 million), Union of South Africa (.18 to .081 million), Sudan (2.07 to 1.46 million) and Tanganyika territory (2.83 to 1.85 million). The notable increases are in the case of Aden and her dependencies (1.59 to 2.07 million), the Straits Settlements (5.14 to 5.17 million) and Federal Malaya States (.83 to 1.07 million). The largest percentage of increase has been in the case of Mauritius and dependencies from (.48 to 2.83 million). Piecegoods furnished another instance of the miscellaneous countries showing an increase where the more long-standing and prominent customers have been disappointing.

The decline in the Exports of rice has continued unbroken during the last few weeks. During the last three years they have declined from 1.828 million tons to 1.723 million and thence to 1.592 million. This compares with 2.298 million tons in 1929-30 and the pre-war average of 3.298 million tons. The value of the exports of rice declined from Rs. 10.52 crores in 1933-34 to Rs. 10.30 crores in 1934-35, which shows a decline of nearly Rs. 4 crores as compared with 1932-33. Of the countries, which have recorded a substantial increase in their imports of Indian rice in 1934-35, the most notable are West Indies, Mauri-

tius and dependencies, Java, Ceylon and the United Kingdom. Here, too, the non-descripts have contributed largely, that is, an increase of nearly 8 lakhs as compared with 1933-34. Any instance of a country taking in 1934-35 as much as in 1932-33.

Wheat exports have improved from 2,060 tons to 10,962 tons. The United Kingdom appears for the first time in the last three years as an importer of Indian wheat to the extent of 8,612 tons. The next largest importer of Indian wheat is "Other Countries," which have 913 tons to their credit; Arabia accounts for an off-take of 756 tons, Ceylon 288 tons and Strait Settlements 215 tons. The increases are only in the case of Arabia, Strait Settlements and Kenya Colony. As for the sources of these exports, Sind shows a very large increase from 645 tons in 1932-33 to 739 tons in 1933-34 and 9,510 tons in 1934-35.

The value of wheat exports in 1934-35 increased to 10.61 lakhs from 3.27 lakhs in the previous year and 3.82 lakhs in 1932-33. Wheat Flour, on the other hand, shows a decrease from 12,536 tons to 11,763 tons. The value has also declined from 16.37 lakhs to 14.67 lakhs.

The grand total value of grains, pulses and flour has, on the whole, shown an increase only from 11.75 crores to 11.84 crores, which compares with 16.07 crores in 1932-33.

In the hides, and skins trade, buffalo hides show a fall from 2,947 to 2,838 tons. This compares more favourably with 1,563 tons in 1932-33. The value increased from 6.32 lakhs to 12.35 lakhs in 1933-34; but the year under review shows, a fall to 11.61 lakhs. Among the principal customers of India for this commodity, Great Britain shows a rise from 283 tons to 343 tons, while Germany records a fall from 470 tons to 355 tons. Greece also shows a serious decline from 812 tons to 599 tons. "Other Countries," again, have shown an improvement in their off-take from 570 to 905 tons and thence to 970 tons in the last three years respectively.

Cow hides show an improvement from 16,866 tons to 19,271 tons. The countries which have recorded a decline in their off-take are the United Kingdom, Germany, Spain and Greece. The countries which have increased their imports of the Indian product are Finland, Sweden, Norway, the Netherlands, Bulgaria and "Other Countries."

Exports of calf skin increased from 451 to 480 tons. Among raw skins, goat-skins showed a fall from 18,183 to 13,874 tons.

Sheep-skins also showed a decline from 1,244 tons to 1,176 tons. Among the importers of Indian goat-skins, Great Britain, the Netherlands and the United States of America show the largest fall, and here again, the Miscellaneous Countries have increased their off-take. The total value of India's exports of hides and skins declined from 4.25 crores in 1933-34 to 3.13 crores in 1934-35, and this compares favourably with 2.77 crores in 1932-33.

The exports of tanned hides and skins showed a similar trend and declined from 5.64 crores to 5.22 crores, which compares with 4.66 crores in 1932-33.

It is comforting to turn to the trade in pig iron, the exports of which have shown an increasing trend during the last three years. The total volume of exports increased during the last three years from 218,384 tons to 377,514 tons and thence to 417,059 tons. The value showed an increase from 74.32 lakhs to 85.02 lakhs in 1933-34, and during the year under review, the value of India's exports of pig iron increased to 92.67 lakhs. Great Britain increased her imports of Indian pig iron from 93,12, tons to 98,481 tons, but the value fell off from 21.55 lakhs to 21.33 lakhs, which compares even more unfavourably with 26.05 lakhs in 1932-33. Japan heads the list of the countries which have shown an increase. Even during 1933-34, she increased her imports to 1.84 lakhs of tons from 0.71 lakhs of tons in the previous year. During 1934-35, exports from India to Japan increased to 2.46 lakhs of tons. The value of the Japan's imports more than doubled itself during the three years from 24.21 lakhs to 54.20 lakhs, the figure for 1933-34 being 40.26 lakhs. The United States of America reduced her off-take of pig iron very considerably from 61,274 tons to 29, 828 tons. The value was nearly halved from 13.83 lakhs to 6.92 lakhs.

Exports of iron and steel manufactures showed a decline during the year from 20.37 lakhs to Rs. 790. Iron and steel goods also declined from 23.86 lakhs to 16.39 lakhs in value and from 92,376 tons to 58,940 tons in volume.

Exports of manganese ore were better at 80.48 lakhs in 1934-35 as compared with 51.34 lakhs in 1933-34 and 48.24 lakhs in 1932-33. Great Britain more than doubled her imports of manganese ore from India, the volume having increased from 55,377 tons to 116,902 tons in 1933-34 and 155,075 tons in the year under review. Nearly all the countries showed an increase in their off-take over the previous year, the most marked increase being in the case of France

with more than double her imports of the Indian product in 1934-35.

Exports of pig lead showed a decline in volume from 1.3 million tons to 1.2 million tons and in value from 1.52 crores to 1.36 crores.

The downward trend in the value of the exports of groundnuts from India has continued during the year under review. In 1933-34, the value declined to 6.63 crores from 7.12 crores in the previous year. The year under review has recorded a further fall to 5.91 crores. But while in 1933-34 there was an increase in the volume of exports over the previous year from 433,000 tons to 546,546 tons, in 1934-35 the volume dwindled to 510,153 tons. The largest decreases are in the case of German, Belgium, France and Italy ; and it is noteworthy that not in one instance is there any increase.

Exports of Linseed are down from 378,868 tons to 338,365 tons in volume and from 4.57 crores to 2.997 crores in value. Every country, except Australia, showed a decline in the off-take. Considering the phenomenal increase in the exports of linseed in 1933-34 over 1932-33, the recession that has been experienced in the year under review must be deemed to be quite natural. It is just possible that, owing to the larger exports of the previous year, the consuming countries have comparatively larger stocks left and that, therefore, in the subsequent year they have been obliged to reduce their off-take. There have been, in the export trade of India more than one instance of a large increase in one year being followed by a set-back in the next. But taken over a period, the set-back seems to fade away. Considering that India has been encouraged by the exports of 1933-34 even to enlarge the acreage under linseed, it is to be hoped that a similar experience will be recorded in this case also. Nevertheless, the decrease in Great Britain's off-take of Indian linseed from 176,000 tons to 98,000 tons is worthy of special note, as it tends to weaken, in no small degree, the claim, that has often been made by the apologists of Ottawa, that the increase in the exports of linseed to Great Britain constitutes in itself a powerful plea in this behalf.

Exports of coffee declined from 185,995 cwts to 149,963 cwts in volume and from 192.45 lakhs to 72.71 lakhs in value.

Exports of rubber and rubber manufactures more than doubled themselves from 31.19 lakhs to 66.37 lakhs, while the volume increased only from 16.2 million lbs. to 23.6 million lbs.

The value of spices exported from India increased from 72.20 lakhs to 77.34 lakhs ; the largest increase is in the case of Ceylon from 20.56 to 27.44 lakhs. Italy shows a rise from 7.61 lakhs to 9.598 lakhs, while Britain shows a fall from 6.17 lakhs to 5.25 lakhs.

The value of the exports of sugar increased from 2.37 lakhs to 2.43 lakhs and of molasses from 1.73 lakhs to 1.80 lakhs.

The value of exports of silk-raw and manufactured-improved from 3.291 lakhs to 4.598 lakhs.

Raw wool declined from 1.98 crores to 1.27 crores.

Exports of manufactured tobacco declined from 90.13 lakhs to 77.55 lakhs. Tobacco manufactures improved from 3.67 lakhs to 4.35 lakhs.

Exports of teak wood made a better showing and increased from 40 lakhs in 1932-33 to 61.31 lakhs in 1933-34 and to 93.46 lakhs in 1934-35. The total of wood and timber manufactures thereof fairly maintained themselves, the decline being only from 1.35 crores in value, which, however, compares with 1.58 crores in 1932-33.

A study of the import trade of India is best approached from the standpoint of the success of the various protective measures that have been taken since the inception of the policy and the effects of the recent changes that have been effected thereon. In this view, the imports of iron and steel, cotton piecegoods, sugar, salt, matches and paper are more important than the other items of India's import trade. We shall first examine the trend in the imports of cotton piecegoods.

The total imports of cotton manufactures increased during the year from 17.74 crores to 21.76 crores. Inclusive of raw cotton, the imports amounted during 1934-35 to 27.04 crores against 21.30 crores in 1933-34 and 34.08 crores in 1932-33. Of this, imports of cotton piecegoods amounted to 16.92 crores in 1934-35 against 13.49 crores in the previous year and 21.26 crores in 1932-33. Of cotton piecegoods, White (bleached) is the largest item, imports thereof amounting to 5.46 crores, at which figure they show an increase from 4.73 crores of the previous year. These figures compare with 7.32 crores in 1932-33. The United Kingdom has increased her imports into India from 3.69 crores to 4.52 crores in 1934-35. But it is still below the level of 5.27 crores of two years ago. Japanese exports to India have declined from 95.88 lakhs to 64.53 lakhs, which compares with

1.63 crores in 1932-33. Imports from Switzerland and from the Netherlands have increased from 2.43 lakhs to 16.80 lakhs in the former case and from 3.99 lakhs to 5.56 lakhs in the latter. The Miscellaneous Countries have increased their imports from about two lakhs to eight lakhs.

Next to Whites, come the printed goods, imports of which during the year 1934-35 amounted to 3.49 crores against 2.33 crores in 1933-34 and 3.97 crores in 1932-33. The largest benefit of this increase was derived by the United Kingdom which increased her imports into India from 1.298 crores to 2.09 crores, and it is interesting that, in this instance, the figure for 1932-33 at 2.07 crores has been exceeded. The Netherlands also have increased the import from 3,000 to 10,000 rupees. Japanese imports have increased from 1.02 crores to 1.37 crores ; but the figure is still below the level of 1.82 crores in 1932-33. Imports of dyed goods amounted in value to 3.02 crores as against 2.30 crores in 1933-34 and 3.37 crores in 1932-33. Here again, the United Kingdom has had the largest share amounting to 2.52 crores in 1934-35 against 1.91 crores in 1933-34 and 2.38 crores in 1932-33. Japan has suffered a decline from 36.17 lakhs to 29.51 lakhs. Italy has regained a part of her lost markets having increased her imports from 97,000 to 3.27 lakhs. By far the largest proportionate increase has been in the case of Switzerland and Belgium, the latter having increased her imports from 4,000 to 26,000 and the former from 46,000 to 10,59 lakhs.

Imports of piecegoods (grey and unbleached) rose from 1.76 crores to 2.31 crores. The lion's share of the trade goes to Japan, which has, during the year under review, improved her imports into India from 1.39 crores to 1.96 crores. The United Kingdom suffered a decline from 36 lakhs to 32.37 lakhs.

Imports of bordered grey goods also rose from 1.299 crores to 1.725 crores. The United Kingdom increased her imports from 98.92 lakhs to 1.25 crores. Japan has also enjoyed an increase from Rs. 31,000 to 47,000.

Imports of cotton twist and yarn amounted to 3.098 crores in 1934-35 against 2.575 crores in 1933-34 and 3.788 crores in 1932-33. Imports from Japan increased from 95.67 lakhs to 1.16 crores as compared with 1.61 crores in 1932-33. China increased her exports to India from 64.81 lakhs to 92.34 lakhs. The United Kingdom increased her share of India's imports from 98.78 lakhs to a little more than a crore. The

"Other Countries" suffered a decline in their exports to India.

Imports of hosiery declined from 77.22 lakhs to 57.79 lakhs. It is interesting that, while Japan suffered a decrease from 72.51 lakhs to 53.53 lakhs, the United Kingdom increased her imports from 1.23 lakhs to 1.498 lakhs.

Imports of silk—raw and manufactured—have shown a decline during the last three years from 4.33 crores to 3.58 crores and thence to 3.37 crores. Of this, silk piece-goods accounted for 1.25 crores in 1934-35 against 1.82 crores in 1933-34. The largest importer is Japan, which accounted for 1.01 crores in 1934-35 as compared with 1.47 crores in 1933-34. Imports from the United Kingdom declined from Rs. 68,000 to 55,000 and those of China from 32 lakhs to 21 lakhs.

Imports of wool and woollens rose during the year to 3.86 crores from 2.54 crores in 1933-34 and 2.96 crores in 1932-33. Of this, woollen manufactures accounted for 3.45 crores in 1934-35 against 2.21 crores in the previous year and 2.54 crores in 1932-33. In the import of woollen piece-goods, Germany is the only country besides Japan to show an increase. Japan's exports increased from 15.47 lakhs to 73.06 lakhs. German imports increased from 6.48 lakhs to 7.64 lakhs. Imports from the United Kingdom declined from 57.44 lakhs to 46.53 lakhs.

Imports of sugar declined from 263,712 tons to 223,347 tons in volume and from 2.71 crores to 2.11 crores in value. Of this, the share of 23 Dutch Standard and above came to 1.84 crores against 2.39 crores in 1933-34 and 3.67 crores in 1932-33. Imports from Java continued to decline from 295,118 tons in 1932-33 to 194,426 tons in 1933-34 and 175,936 tons in 1934-35. The fall in value was even more pronounced from 3.297 crores to 1.979 crores and thence to 1.639 crores. Imports from the United Kingdom of this variety of sugar declined sharply from 13.51 lakhs to 1.55 lakhs. The share of Japan also fell from 3.53 lakhs to 2.43 lakhs. Imports of beet sugar from the United Kingdom fell from 24.56 lakhs to 14.18 lakhs.

Imports of salt showed an increase during the year under review to 52 lakhs of rupees from 49.78 lakhs in 1933-34 and 78.96 lakhs in 1932-33. Imports from Aden increased from 36.89 lakhs to 38.46 lakhs but are still below the level of 39.74 lakhs in 1932-33. Germany also increased her share from 8.43 lakhs to 9.74 lakhs. Imports

from the United Kingdom also showed a small rise from Rs. 75,000 to Rs. 77,000.

The imports of paper and paste board increased from 2.63 crores to 2.73 crores. Of this amount, packing paper accounted for 38 lakhs with Sweden having the lion's share at 19.90 lakhs and the United Kingdom coming as a distant second at 3.66 lakhs. It is interesting that, in both these cases, there has been a rise in the imports during the year. Paste board accounts for imports of 33.39 lakhs in 1934-35 as compared with 27.73 lakhs in the previous year. The total imports of paper amounted to 2.52 million cwts. against 2.46 million cwts. Of this, the protected varieties declined from 260,115 tons to 223,225 tons in volume and from 53.69 lakhs to 47.62 lakhs in value. The non-protected varieties rose from 1.986 million cwts. in volume and from 1.82 crores to 1.92 crores in value.

The total of "iron or steel" imports during 1934-35 amounted to 5.34 crores against 4.64 crores in 1933-34 and 4.48 crores in 1932-33. Of this amount, imports of bars other than cast steel had the largest share at 68.81 lakhs against 63.05 lakhs in 1933-34 and 56.84 lakhs in the year previous. Great Britain increased her imports of bars from 17.77 lakhs to 26.85 lakhs. Belgium. Belgium suffered a small decline from 23.12 lakhs to 23.04 lakhs. Germany and Luxembourg had some small declines but France suffered most, her exports having declined from 4.23 lakhs to 2.46 lakhs. Imports of iron manufactures increased from 6.41 lakhs to 7.37 lakhs. Steel angles and tees increased from 10.94 lakhs to 14.06 lakhs. Imports of ingots, beams, billets and slabs showed a striking increase from 1.69 lakhs to 7.29 lakhs.

It is an interesting feature of the import trade in iron and steel that, in almost every instance, imports of goods, which are supposed to be protected, have shown an increase while the non-protected goods have shown a decrease. Imports of protected angles, tees, bars and rods increased from 0.04 lakhs to 2.18 lakhs while unprotected goods declined from 1.74 lakhs to 0.66 lakhs. In the case of iron bars and channels, the protected goods increased from 0.196 lakhs to 1.03 lakhs, the non-protected declining at the same time from 2.69 lakhs to 2.14 lakhs. Steel bars of the protected variety increased from 21.51 lakhs to 35.11 lakhs, while the goods that are not protected declined, at the same time, from 41.54 lakhs to 33.69 lakhs. Imports of bolts and nuts also showed an increase

from 21.09 lakhs to 28.63 lakhs. Under nails, rivets and washers, the protected goods increased from 8.60 lakhs to 10.62 lakhs and unprotected from 19.73 lakhs to 21.46 lakhs. Rails and fish-plates, which are protected, increased from 5.03 lakhs to 7.45 lakhs. Imports of galvanised sheets declined from 60,838 to 58,816 in volume and from Rs. 1.13 crores to 1.11 crores in value. Imports of tubes, pipes and fittings increased from 71.61 lakhs to 89.66 lakhs and of wire nails from 20.04 lakhs to 24.12 lakhs.

Imports of machinery and mill-work showed a small fall from 12.77 crores in 1933-34 to 12.64 crores in 1934-35. Great Britain increased her share of this trade from 8.73 crores to 9.15 crores. This compares a favourably with 7.81 crores in 1932-33. Germany increased her share in 1933-34 to 1.32 crores from 0.98 crores in 1932-33. But in the year under review, imports from Germany fell to 1.27 crores. Belgium suffered a decline from 43 lakhs to 17 lakhs and Japan increased her share from 7.7 lakhs to 11.25 lakhs, as also the United States of America from 80.73 lakhs to 1.15 crores. It is interesting to note that Madras and Bombay have increased their share of the imports of machinery, the former from 1.45 crores to 1.56 crores and the latter from 4.22 crores to 4.27 crores. Imports into Bengal declined from 5.16 crores to 4.65 crores.

The jute industry has the largest share of the imports of machinery into India, as it accounts for 3.24 crores during the year under review against 2.61 crores in 1933-34 and 2.68 crores in 1932-33. The cotton industry comes next with a total of 2.41 crores in 1934-35 as compares with 2.03 crores in 1933-34 and 2.08 crores in 1932-33. The lion's share of this trade goes to the United Kingdom, imports from which country amounted to 2.10 crores in 1934-35 against 1.65 crores in the previous year.

The decline in the expansion of the sugar industry in India is reflected in the fall of the imports of sugar machinery from 3.36 crores in 1933-34 to 1.05 crores in 1934-35. Imports of tea machinery increased from 12.28 lakhs to 22.34 lakhs. The largest proportionate increase is in the case of sewing and knitting machines, imports having increased from 44.20 lakhs to 74.41 lakhs. Imports of mining machinery increased from 32.44 lakhs to 52.25 lakhs and those of flour mill machinery rose from 6.61 lakhs to 9.63 lakhs. Electrical machinery increased from 1.27 crores to 1.69 crores and railways and locomotive engines

from 42.75 lakhs to 42.94 lakhs. Imports of instruments, apparatus etc. increased from 4.02 crores to 4.73 crores.

Imports of motor cars, including taxicabs, showed a remarkable increase from 1.77 crores to 2.57 crores. The United Kingdom increased her imports from 1.06 crores to 1.23 crores. Germany increased her share from 1.51 crores to 2.02 crores. The United States of America nearly trebled her imports from 36.32 lakhs to 92.89 lakhs. Imports of motor cycles increased from 3.26 lakhs to 3.81 lakhs.

FOREIGN TRADE THROUGH PORTS OF NATIVE STATES

Kathiawar:

The seaborne trade through the Kathiawar Ports has, of late, been steadily growing in importance owing chiefly to the lower port charges, as compared with Bombay. The following table shows the value of imports and exports and re-exports at the Kathiawar ports from 1925-27 to 1933-34.

Year	Imports	Exports	(In thousands of Rs.)	
			Re-exports	
1926-27	... 3,07,12	11,18	47	
1927-28	... 2,89,60	30,55	62	
1928-29	... 3,96,43	1,27,01	59	
1929-30	... 3,91,96	98,54	84	
1930-31	... 3,62,74	80,70	16	
1931-32	... 2,76,48	67,39	8	
1932-33	... 4,15,07	80,91	5	
1933-34	... 4,17,82	2,46,43	1,29	
1934-35	... 5,19,09	1,49,25	2,36	

The accuracy of figures up to 1930-31 is problematical, as they are from returns prepared in old times and figures recorded in some cases were inclusive of merchandise imported or exported coastwise.

Cochin:

The trade of cochin is of considerable significance as Cochin is in the *enfant-terrible* among the Indian ports.

Statistics of the trade in Cochin during 1933-34 show that the port has enjoyed a record year and is taking its full share in the revival and development of trade. The figures dispell all apprehensions regarding the future of the port.

It was in May, 1928, that the first steamer entered in the inner harbour at Cochin. The number of steamers which used the port in 1928-29 was 4,79, and every year since then there was a steady increase. The number was 509 in 1929-30; 570 in 1930-31; 604 in 1931-32; 615 in 1932-33. Whereas the increase during these four years was only 136, the increase

in 1933-34 alone was 66, the number of steamers which called at the port being 681. Of this, only 3 did not come inside the harbour.

The tonnage of the goods passing through the ports has also grown considerably, as the following figures show:

		Imports	Exports	Total
1930-31	...	3,96,806	1,01,354	4,98,160
1931-32	...	4,55,342	90,061	5,45,403
1932-33	...	4,80,585	88,270	5,68,855
1933-34	...	6,40,800	1,08,000	7,38,800

(The figures for 1933-34 are approximate).

In this connection the following table showing the total foreign sea-borne and coasting trade of Cochin since 1924-25 will be very interesting; and the figures have been taken from the reports of the Maritime trade for the province of Madras.

Cochin Trade Statistics.

(Value in lakhs of Rupee)

Year	Foreign Trade	Coasting Trade	Total Trade	Percentage total of Madras Presy.
1924-25	3.45	7.01	10.46	11.04
1925-26	4.11	6.38	10.49	11.00
1926-27	4.07	5.87	9.94.5	10.99
1927-28	5.19	6.36	11.55	11.17
1928-29	5.99	6.00	11.99	11.21
1929-30	4,81.5	6.25	11,13.5	...
1930-31	4.53	5.87	10.48	12.49
1931-32	3.73	5.53	9.26	13.00
1932-33	3.79	5.92	9.71	14.50
1933-34	Figures not available.			

Considerable trade is also carried on between the French settlements in India, Portuguese settlements and Travancore. Some twenty years ago the controller of the currency estimated the total imports and exports at the ports in these non-British possessions at about Rs. 36 lakhs and Rs. 175 lakhs respectively per annum. Certainly the trade should have grown much more now and trade statistics will be very interesting to-day.

FRONTIERS FOREIGN TRADE ACROSS LAND

Prior to April, 1925, the registration of the land frontier trade was done through the Agency of the clerks posted on important roads across the Frontiers.

A new system of registration of the land frontier trade was, therefore, inaugurated since 1st April, 1925. Only the traffic in selected articles at certain railway stations adjacent to the more important trade routes across the frontier is registered. Stations have been selected at which it is estimated that the bulk of inward traffic

is intended to be transported beyond the frontier and the bulk of the outward traffic consists of goods which have come from beyond the frontier.

For compilation purposes the registration stations have been divided into three groups. For purposes of the tables, the trade registered at the three groups of stations has been combined into a lump figure for each commodity. We shall in our study confine ourselves to the last three years beginning with 1932-33. As regards exports, there appears to be no change in the volume of cotton manufactures during these three years, the figures standing very near 600,000 maunds. Exports of wheat stood at 835,000 maunds in 1932-33, but the position improved in 1933-34, and 1934-35 the amounts being to 1,116,000 and 920,000 maunds. Husked rice has fairly maintained its volume, although perhaps the money return on this volume must have been on a descending slope. Exports of gram and pulse showed a gradual fall from 1,58,000 maunds in 1932-33 to 1,404,000 and 1,427,000 maunds respectively in the two succeeding years. Exports of salt were on the decline in quantity in the three years 1932-33, 1933-34 and 1934-35 being 1706,000, 1,501,000 and 1,526,000 maunds. Sugar refined and unrefined rose from 824,000 maunds in 1932-33 to 1,054,000 maunds in 1933-34. The exports in 1934-35 being 1,018,000 maunds. The most remarkable phenomenon is, however, the tremendous fall in the quantity of silver exported, which fell from 3,970,000 ounces in 1932-33 to 2,081,000 ounces in 1933-34 and 897,000 ounces in 1934-35.

Imports across the land frontier during the three years 1931-32, 1932-33, and 1933-34 in respect of certain principal commodities is summarised in the following table.

(Quantity in thousands of maunds.)

	1932-33	1933-34	1934-35
Wheat	364	338	176
Gram and pulse	422	619	162
Rice husked and unhusked	2,447	1,687	1,998
Other grains and pulse	729	379	298
Borax (from Tibet)	7	9	9

Imports of silver during 1932-33 and the two succeeding years were respectively, 6.8 9.8 and 9.7 million ounces. The high figures for the last two years explains the considerable quantity of duty free silver imported from Persia. Steps have already been taken to prevent smuggling across the frontier.

India's Foreign Trade. (In Lakhs of Rupees.)

YEAR AND MONTH	1	2	3	4	5	6	7	8
	Exports of Merchandise	Re-exports of Merchandise	Imports of Merchandise	Balance of trade in Merchandise (1+2-3)	Exports of Treasure	Imports of Treasure	Balance of trans- actions in treasure (5-6)	Balance of trade in Merchandise and treasure (4+7)
1931-32								
April	13,65	43	12,56	+1,51	1	63	- 62	+ 89
May	13,11	39	11,39	+2,11	1	69	- 68	+ 1,43
June	12,19	39	12,13	+ 45	65	71	6	+ 89
July	12,17	39	10,72	-1,83	1,02	58	+ 44	+ 2,27
August	12,81	45	9,67	+3,59	54	50	+ 4	+ 3,63
September	11,60	46	9,88	+2,18	52	85	- 33	+ 1,85
October	12,66	45	10,00	+3,11	9,34	96	+ 8,38	+11,49
November	13,77	35	8,93	+5,20	8,72	58	+ 8,14	+13,34
December	15,39	34	9,26	+6,67	17,96	98	+16,88	+23,55
January	13,20	37	10,93	+2,63	9,45	37	+ 9,08	+11,71
February	12,25	30	9,95	+2,60	7,80	20	+ 7,60	+10,20
March	12,89	34	10,91	+2,32	6,99	20	+ 6,79	+ 9,11
TOTAL 1931-32	1,55,89	4,66	1,26,34	+34,21	62,91	7,25	+35,66	+89,87
1932-33								
April	10,41	28	13,23	-2,53	4,30	22	+ 4,08	+ 1,55
May	9,57	24	11,82	-2,01	3,35	28	+ 3,07	+ 1,06
June	9,38	22	12,09	-2,49	4,93	86	+ 4,57	+ 2,08
July	8,97	23	11,22	-2,02	6,27	53	+ 5,74	+ 3,72
August	10,02	26	11,13	- 85	4,65	28	+ 4,37	+ 3,52
September	12,37	24	11,41	+1,20	6,71	20	+ 6,51	+ 7,71
October	11,50	26	9,98	+1,78	5,78	14	+ 5,64	+ 7,42
November	12,10	27	11,14	+1,23	6,82	23	+ 6,59	+ 7,82
December	12,09	40	9,81	+2,68	10,21	21	+10,00	+12,68
January	11,44	28	10,66	+1,06	4,85	23	+ 4,62	+ 5,68
February	12,24	21	9,23	+3,22	5,05	15	+ 4,95	+ 8,17
March	12,35	32	10,88	+1,79	5,07	18	+ 4,89	+ 6,8
TOTAL 1932-33	1,32,45	3,21	1,32,60	+3,06	67,99	3,01	+64,98	+68,04

India's Foreign Trade.—(Contd.)
(In Lakhs of Rupees.)

YEAR AND MONTH	1	2	3	4	5	6	7	8
	Exports of Merchandise	Re-exports of Merchandise	Imports of Merchandise	Balance of trade in Merchandise (1+2-3)	Exports of Treasure	Imports of Treasure	Balance of trans- actions in treasure (5-6)	Balance of trade in Merchandise and treasure (4+7)
1933-34								
April	10.20	22	9.69	+ 73	4.61	14	+ 4.47	+ 5.20
May	10.60	25	9.75	+1.10	5.31	22	+ 5.09	+ 6.19
June	12.73	27	8.68	+4.82	5.70	14	+ 5.56	+ 9.88
July	12.17	25	8.72	+3.72	2.72	9	+ 2.63	+ 6.85
August	14.02	32	9.91	+4.43	4.54	12	+ 4.42	+ 8.85
September	11.32	31	8.75	+2.88	5.82	14	+ 5.68	+ 8.56
October	12.61	30	10.61	+2.30	3.52	23	+ 3.29	+ 5.59
November	12.84	35	10.01	+3.18	2.61	20	+ 2.41	+ 5.39
December	11.57	29	9.19	+2.67	2.48	22	+ 2.26	+ 4.93
January	11.40	26	10.57	+ 99	6.02	12	+ 5.90	+ 6.89
February	12.54	27	8.75	+4.06	10.30	20	+10.10	+14.16
March	14.32	33	10.57	+3.98	5.56	14	+ 5.42	+ 9.40
TOTAL 1933-34	1,46.82	3.42	1,15.38	+34.86	59.19	1.96	+57.23	+91.59
1934-35								
April	12.09	26	10.97	+1.28	5.44	9	+5.35	+5.63
May	13.01	23	10.48	+2.76	5.46	23	+5.23	+7.99
June	12.29	19	9.56	+2.92	5.35	14	+5.21	+8.18
July	12.59	26	9.90	+2.95	6.11	7	+6.04	+8.99
August	12.12	20	10.38	+1.64	1.35	12	+1.23	+2.87
September	11.85	22	10.55	+1.52	1.11	14	+97	+2.49
October	12.07	30	12.48	- 11	4.28	7	+4.21	+4.10
November	11.98	32	11.40	+90	6.07	31	+5.76	+6.66
December	11.74	49	10.83	+1.88	6.56	54	+6.02	+7.90
January	13.42	28	12.90	+80	4.80	15	+4.65	+5.45
February	12.87	35	12.68	+2.59	5.52	7	+5.45	+8.04
March	15.21	45	12.37	+3.29	5.68	71	+4.97	+8.26
TOTAL 1934-35	151.24	3.54	132.25	+22.42	57.73	2.66	+55.09	+77.51

Table Showing the volume of principal articles Exported from British India.
(Figures in Thousands unless stated otherwise)

Name of Article	Pre-War Quinquennial Average	War Quinquennial Average	Post-War Quinquennial Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Cotton,—Raw " Waste " Piecegoods (millions of yds.) " Twists & Yarn (millions of lbs.)	430 ... 90 193	391 ... 1,55 130	5,21 312 1,64 32	7,27 2,30 1,32 25	7,01 2,20 98 23	423 246 105 22	365 238 66 15	437 233 56 16	615 352 53 13
Jute, Raw " Gunny Bags (in millions No.) " Cloth (in millions of yds.) Grain, Pulse and Flour	764 339 970 ...	454 715 1,177 ...	5,54 4,04 1,270 ..	807 5,22 1,631 2,130	620 434 1,271 2,613	587 339 1,021 2,614	563 415 1,012 2,055	743 402 1,053 1,870	752 423 1,033 1,765
Rice not in Husk Wheat Other sorts Seeds—Essential	2,398 1,308 715 10	1,635 807 649 8	1,462 237 300 9	2,298 13 299 4	2,254 197 163 4	2,301 20 293 5	1,828 2 226 6	1,733 2 135 8	1,592 11 162 9
Linseed Groundnut Other seeds Tea (in millions of lbs.)	379 212 852 266	270 119 811 323	251 135 468 321	243 714 229 377	257 601 175 356	120 672 191 342	72 433 221 379	379 547 190 318	288 510 127 325
Leather Hides and Skins—Raw Metals—Manufactures and Ores— Iron or Steel	.. 78 42	22 37 61	15 53 95	19 53 643	18 45 405	16 34 433	15 27 337	20 42 517	18 40 477
Other Metals Manganese Ore Other Ores Lac (cwt.)	10 607 12 434	11 474 21 34	33 643 37 416	172 816 55 669	153 486 42 547	141 212 23 454	158 198 29 418	156 266 39 731	154 455 57 586
Wool—Raw and Manufactures (in millions of lbs.) Paraffin wax Oilcakes	56 12 140	51 22 117	39 26 136	55 66 273	35 58 254	46 52 291	33 45 287	64 54 237	44 46 343
Spices Wood and Timber Rubber,—Raw Coffee (millions of lbs.) (cwt.)	352 50 1 255	315 29 8 216	318 35 13 226	347 52 26 134	342 40 23 293	321 22 15 156	299 17 7 173	370 27 16 186	286 43 23 141

Table showing the volume of principal articles Exported from British India—(contd.)
(Figures in Thousands unless stated otherwise.)

Name of Article	Pre-War Quinquennial Average	War Quinquennial Average	Post-War Quinquennial Average	1930-31	1931-32	1932-33	1933-34	1934-35
Opium Manures	51 (tons cwts.)	14 57	9 118	4 122	3 58	0.4 31	0.2 41	... 51
Fodder, Bran and Pollards	228 (tons)	129	211	350	282	225	254	281
Dyeing and tanning substances (cwts.)	1,613	1,261	1,508	1,412	1,407	1,205	1,421	1,545
Tobacco	22 (millions of lbs.)	26	27	27	26	22	30	27
Coir	35 (tons.)	23	32	32	25	27	31	31
Mica	49 (cwts.)	50	60	115	53	40	66	104
Fruits and Vegetables	11 (tons.)	10	10	12	10	10	13	15
Fish (excluding Canned Fish) (cwts.)	249	239	233	302	251	221	236	251
Oils (in millions of gallons)	17	32	27	2	2.1	2.6	3.1	2.3
Coal and Coke	825 (tons)	526	434	688	517	454	376	316
Hemp—Raw	509 (cwts.)	561	455	435	224	281	388	437
Ghee	47 (cwts.)	46	41	36	27	22	24	26
Animals—Living (thousand No.)	451	274	298	498	184	88	133	168
Silk raw	1,711 (lbs.)	1,017	1,325	1,341	535	119	440	637
Fibre for Brushes and Brooms (tons)	...	4	5	9	6	7	7	7
Bristles	94 (cwts.)	4	3	3	3	8	4	4
Cordage and Rope	53 (cwts.)	56	55	57	46	46	42	53
Candles	6,069 (lbs.)	3,014	9,692	3,884	1,435	1,682	1,885	1,767
Saltpetre	305 (cwts.)	440	273	85	184	159	188	171
Tallow, Stearine and Wax	17 (cwts.)	13	20	24	11	17	8	7
Horns, Tips, etc.	88 (cwts.)	30	70	37	13	38	42	35
Sugar	11 (tons)	8	18	1	1	1	1.6	1.5

Table showing the value of the principal articles Exported from British India—(contd.)

(In Lakhs of Rupees)

Name of Article	Pre-War Average 1909-10 to 1918-14		War Average 1914-15 to 1918-19		Post-War Average 1919-20 to 1928-24		1929-30	1930-31	1931-32	1932-33	1933-34	1934-35

Fodder, Bran and Pollards	...	90	42	1,20	1,19	77	75	70	47	77	108	77
Fruits and Vegetables	...	47	57	64	91	80	90	70	99	77	80	113
Coir	...	80	54	1,02	1,05	89	76	60	84	57	55	45
Wood and Timber	...	1,00	71	1,12	1,85	1,40	78	56	57	46	38	28
Oils	...	92	1,87	3,78	72	47	57	54	45	44	33	28
Fish (excluding canned fish)	...	39	43	57	74	68	54	46	45	44	38	28
Coal and Coke	...	76	46	66	72	49	55	44	37	37	30	28
Provisions and Oilman's stores	...	36	60	60	60	50	40	33	25	25	28	28
Mica	...	78	1,18	90	68	39	27	32	36	36	39	69
Hemp—Raw	...	19	30	36	48	21	23	31	24	24	26	26
Drugs and Medicines	15	21	28	26	20	24	22	22	19	19
Fibre for Brushes, etc.	...	16	14	15	14	11	12	14	17	17	23	23
Bristles	...	35	80	46	9	8	11	12	15	15	14	14
Saltpetre	...	9,96	2,17	2,33	1,42	1,22	87	11	78	78	7	7
Opium	...	28	30	87	26	15	15	10	10	10	12	12
Animals—Living	...	15	11	21	25	16	10	9	11	11	11	11
Apparel	...	89	1,58	1,18	1,79	1,80	45	9	31	31	66	66
Rubber—Raw	15	10	7	9	10	10	10	10
Building and Engineering materials other than Iron, Steel or Wood	11	13	14	10	9	8	7	7	7	7
Cordage and Rope	...	8	8	12	8	7	4	5	8	8	8	8
Tallow, Stearine and Wax	...	9	23	20	11	6	4	5	5	5	5	5
Candles	...	17	45	42	32	10	3	3	3	3	3	3
Silk—Raw and manufactures	...	50	22	56	4	3	2	2	2	2	2	2
Sugar	...	16	7	12	8	4	1	2	3	3	3	3
Horns, Tips, etc.	...	21	...	...	...	...	...	...	...	...	...	...
All other articles	...	2,77	2,89	5,61	4,54	3,72	3,78	3,24	3,70	3,24	3,27	3,27
TOTAL EXPORTS	...	2,19,50	2,15,97	2,86,83	3,10,81	2,20,49	1,55,89	1,82,27	1,46,81	1,82,27	1,51,24	1,51,24

Exports of Jute—Raw

Quantity in Thousands of Bales.)

(Value in Lakhs of Rupees)

Country to which Exported	Pre-War Average	War Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	1,691	1,295	952	923	604	863	725	993	932	8,97	5,56	2,23	3,11	2,24	2,56	2,34
Other parts of Br. Empire	4	8	5	13	7	6	8	24	29	2	2	1	2	3	6	8
United States of America	535	523	483	445	297	274	201	290	291	2,83	2,52	1,04	91	69	75	76
France	428	198	337	596	500	291	386	469	463	2,25	3,62	1,83	98	1,16	1,25	1,24
Italy	213	215	180	307	236	246	210	364	487	1,15	1,90	92	86	66	96	1,27
Brazil	15	66	79	103	83	90	74	107	101	...	68	98	31	26	83	88
Japan	17	30	60	90	34	56	81	97	121	11	44	12	17	23	24	32
Belgium	...	1	174	259	268	257	192	287	286	14	1,54	99	76	59	76	72
Spain	122	172	182	250	185	199	237	200	241	65	1,54	69	69	72	51	61
Germany	920	34	586	1,212	916	733	735	980	588	4,90	7,41	3,50	2,56	2,29	2,56	1,51
Austria	...	250	2	...	...	...	...	...	...	...	...	...	...	...	...	...
Hungary	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
Other Countries	86	44	92	321	308	270	304	379	670	1,68	1,94	1,15	75	86	93	1,69
Total British Empire	1,695	1,303	957	926	611	871	738	1,017	961	8,99	5,58	2,24	3,13	2,27	2,62	2,42
Total Foreign Countries	2,589	1,296	2,145	3,583	2,859	2,416	2,420	3,173	3,250	13,21	21,59	10,64	7,99	7,46	8,81	8,45
Grand Total	4,284	2,599	3,102	4,519	3,470	3,287	3,153	4,190	4,211	22,20	27,15	12,88	11,12	9,73	10,9	10,87
Percentage of Br. Empire	39.6	50.1	30.9	20.7	17.6	26.5	23.2	24.2	22.8	40.5	20.5	17.4	28.1	23.3	23.9	22.2

Exports of Jute Manufactures.

(Value in Lakhs of Rupees)

Gunny Cloth

(Quantity in Lakhs of Yds.)

Name of Countries to which Exported	Pre-War Average 1909-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	Pre-War Average 1909-10 to 1913-14	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
United Kingdom	423	1,333	741	586	402	622	575	516	494	56	1,15	59	70	63	57	53
Ceylon	...	...	...	33	30	29	23	26	23	...	7	3	4	3	3	3
Union of South Africa	...	...	...	55	57	44	45	64	69	2	12	10	7	7	9	9
Canada	...	333	534	816	731	633	655	801	687	40	143	91	65	65	83	71
Australia and New Zealand	...	253	175	299	227	228	277	243	284	...	74	38	32	40	35	40
China	...	...	...	104	50	58	42	15	11	...	21	8	7	5	2	1
Philippine Island and Guam	...	...	...	146	138	162	209	178	137	...	33	28	25	33	28	19
Egypt	...	...	...	56	38	69	66	113	96	1	12	5	9	8	13	12
United States of America	6,639	6,965	8,938	10,719	8,538	6,924	5,488	6,477	6,091	692	1,825	1,062	657	510	660	593
Uruguay	...	...	...	146	141	104	96	102	78	...	29	22	11	10	12	8
Argentine Republic	1,727	1,440	1,813	3,293	2,085	1,049	2,375	1,696	2,292	209	649	316	119	247	193	245
Peru	...	...	...	25	15	17	22	30	39	...	4	1	2	2	3	4
Other Countries	369	1,016	528	229	249	272	244	286	334	76	44	38	38	30	35	41
Total British Empire	...	...	...	1,789	1,447	1,556	1,580	1,665	15,63	...	351	201	178	178	1,93	1,76
Foreign Countries	...	...	...	14,716	11,203	8,655	8,537	8,866	90,72	...	2,619	1,486	867	846	6,44	9,23
GRAND TOTAL	9,700	11,561	12,703	16,305	12,710	10,211	10,117	10,522	10,635	10,76	29,70	16,86	10,45	10,24	11,38	10,99
Percentage of British Empire	...	...	...	10.3	11.4	15.2	15.6	15.8	14.6	...	...	...	...	...	...	...
Declared value per yard	...	...	...	...	...	...	...	...	...	0.1-9	0.2-11	0.2-1	0.1-8	0.1-7	0.1-9	0.1-8

Exports of Cotton—Raw.

(Quantity in Thousands of Bales of 400 lbs.)

(Value in Lakhs of Rupees)

Country to which Exported	Pre-War Average	War Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	122	212	152	270	281	168	168	342	378	172	4,81	3,00	1,54	161	3,37	3,42
Other parts of British Empire	30	21	13	7	6	3	2	...	3	41	9	11	5	3	...	8
Japan ...	1,012	1,373	1,540	1,640	1,685	1,080	1,085	1,024	2,010	14,51	27,30	20,99	11,05	11,12	10,53	21,08
Italy ...	233	249	263	393	362	184	131	260	280	8,18	5,79	3,77	1,62	1,44	2,89	2,55
France ...	109	69	91	253	232	81	123	162	146	1,51	3,92	2,59	79	1,17	1,53	1,85
China (exclusive of Hongkong, etc.) ...	31	48	280	586	606	436	134	336	140	43	9,34	7,41	4,52	1,33	3,22	1,29
Belgium ...	277	44	217	341	217	121	128	145	151	3,68	5,63	2,64	1,18	13,0	1,43	1,48
Spain ...	50	41	61	80	106	45	50	62	62	73	1,22	1,16	42	49	63	55
Germany ...	351	69	198	344	309	166	131	245	151	4,45	4,89	3,29	148	1,83	2,09	1,85
Other Countries	192	64	93	176	121	85	71	162	125	266	2,59	1,37	80	55	1,40	1,40
Total British Empire ...	152	233	165	277	287	171	170	342	381	213	4,40	3,11	1,59	1,64	3,87	3,45
Total Foreign Countries ...	2,255	1,957	2,752	3,793	3,639	2,198	1,893	2,398	3,065	31,15	60,68	43,22	21,86	18,73	23,22	31,05
GRAND TOTAL	2,407	2,190	2,917	4,070	3,926	2,369	2,043	2,729	3,446	33,28	65,08	46,33	23,45	20,37	26,59	34,50
Percentage of British Empire	6.3	10.6	5.7	6.8	7.3	7.2	8.2	12.5	11.4	...	...	...	...	...	...	...
Declared value in total per cwt. Rs. ...	...	...	...	...	...	...	...	...	...	38-11-3	44-12-3	33-0-8	27-5-2	27-12-10	27-2-7	27-10-5

Exports of Tea.

(Quantity in Millions of lbs.)

(Value in Lakhs of Rupees.)

Name of Countries	Pre-War Average	War Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	194	252	280	317	299	291	331	276	287	9.51	22.19	19.95	16.90	14.79	17.59	18.01
Canada	10	10	10	12	10	14	17	15	13	55	74	62	67	80	77	65
Australia	9	8	6	5	5	3	2	2	2	41	31	29	13	8	11	8
Ceylon	4	3	3	4	5	3	4	3	3	27	27	37	20	23	20	20
Egypt	1	2	2	6	4	3	2	1	1	...	37	22	15	8	7	4
Iraq	...	...	12	2	1	1	...	.5	1.5	...	10	7	5	2	3	3
Russia	30	18	...	5	6	3	3	.7	...	1.42	27	35	16	14	4	...
United States of America	2	6	6	8	10	10	11	8	8	12	59	64	50	57	46	41
China	8	6	...	...	2	1	...	...	1	36	...	13	6	...	...	...
Persia	...	4	2	6	4	2	1	1	...	2	32	24	10	7	6	...
Georgia	...	...	...	2	2	2	1	...	...	...	16	15	9	3	...	...
Arabia	...	...	...	1	1	1	2	.5	1	1	9	7	5	5	3	6
New Zealand	...	...	...	...	...	1	1	2.5	1	...	2	2	5	6	13	7
Other Countries	8	14	10	11	7	6	4	6.8	7.5	40	55	39	27	23	36	58
Total British Empire	221	280	306	343	323	312	355	294.5	306.0	10.71	23.61	21.31	17.98	15.99	18.80	19.01
Total Foreign Countries	45	43	15	33	33	29	24	18.5	19.0	233	2.40	2.25	1.43	1.16	1.05	1.12
GRAND TOTAL	266	323	321	377	356	341	379	313	325.0	13.07	26.01	23.56	19.41	17.15	19.85	20.13
Percentage of British Empire to total	83.1	86.7	95.3	91	90.7	91.5	93.7	94.3	94.1	82.2	90.8	94.3	92.6	93.2	94.6	94.4
Declared value per lb.	...	...	...	...	...	...	...	...	...	0.7-1	0.11-1	0.10-7	0.9-1	0.7-3	0.9-11	0.10-3

Exports of Oil Seeds—(Contd.)

(Quantity in Hundreds of Tons).

CASTOR SEEDS

Name of Country	Pre-War Average	War Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	53.9	47.1	10.5	24.7	19.6	23.2	22.7	27.0	20.2	78	50	33	34	38	33	24
United States of America	11.8	14.7	18.8	51.0	38.5	34.7	28.4	23.4	13.0	18	1.01	65	48	41	29	17
Belgium	13.7	1.1	4.1	3.5	3.1	4.1	4.1	3	...	20	7	8	6	6	...	...
France	15.7	14.8	8.8	16.5	16.0	20.3	16.8	13.0	9.1	23	34	29	31	24	16	12
Italy	11.0	7.1	4.3	6.1	6.5	12.1	6.2	7.9	5.1	16	13	12	18	9	10	6
Other Countries	7.5	4.0	1.8	4.6	5.3	9.5	11.9	10.0	20.4	11	9	9	13	11	12	12

TOTAL ... 113.6 88.8 48.3 106.4 91.0 104.0 85.0 81.6 68.7 1.66 2.14 1.56 1.50 1.24 1.00 81

Percentage of United Kingdom to total ...
Declared value per cwt. ...

47.4	53.0	21.7	28.2	21.5	22.3	25.0	19.5	20.4	47.0	23.4	21.2	22.6	25.8	19.0	29.6
...	...	...	...	...	...	...	...	...	7.5-2	10.1-7	8.9-0	7.8-5	7.3-3	6.1-7	5.1-5

RAPE-SEED

United Kingdom	23.3	50.5	46.7	7.8	10.6	14.4	10.7	16.7	12.2	35	16	15	19	14	21	14
France	63.5	19.6	17.0	9.8	10.6	5.6	8.3	11.1	5.1	96	20	17	7	10	13	6
Italy	7.1	6.0	26.0	7	1.7	18.0	68.2	9.7	3.4	11	1	3	26	91	11	4
Belgium	98.6	5.4	56.5	2.7	1.8	1.3	2.5	4.3	2.6	1.52	6	8	2	3	5	3
Germany	68.2	1.6	38.4	6.3	2.3	4.0	9.1	9.6	4.2	1.05	13	4	5	12	11	5
Other Countries	10.0	7.6	21.2	17.0	5.8	10.6	15.7	21.9	9.4	16	36	10	14	23	23	10

TOTAL ... 272.7 90.7 205.8 44.3 32.8 53.9 114.5 73.5 36.9 4.15 92 52 73 1.54 81 42

Percentage of United Kingdom to total ...
Declared value per cwt. Rs. ...

9.3	55.7	22.7	17.6	32.3	26.7	9.3	22.7	33.1	8.4	17.4	28.8	26.0	9.1	22.2	33.3
...	...	...	...	...	...	...	...	...	7.9-8	10.6-3	7.15-1	6.12-4	6.11-7	5.8-3	6.0-1

Exports of Hides and Skins.

RAW HIDES

(Value in Lakhs of Rupees)

Name of Countries	Pre-War Average	War Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	31	1.09	60	6	7	4	4	11	10
United States of America	69	1.65	86	9	1	...	...	1	1
Italy	84	1.45	52	45	32	15	13	18	23
Spain	47	21	26	30	15	8	4	4	3
France	8	9	5	1	...	...	...	...	...
Belgium	7	1	4	3	1	...	...	...	...
Germany	2.43	25	75	1.12	63	32	19	34	29
Netherlands	17	1	4	12	11	4	4	6	10
Other Countries	1.52	28	30	52	48	30	23	26	34
Total British Empire	34	1.16	68	7	7	4	4	12	10
Total Foreign Countries	6.23	5.88	2.74	2.63	1.71	87	59	89	100
Grand Total	6.57	5.05	3.42	2.70	1.78	91	63	1.01	1.10
Percentage of British Empire in total Declared Value per cwt.	5.2	22.9	19.9	2.6	3.9	4.4	3.3	12	9.1
	64-4-1	..	...	53-8-4	38-14-8	26-11-8	23-6-9	25-0-0	23-14-4

RAW SKINS

United Kingdom	26	39	50	31	32	47	54	84	46
United States of America	2.80	3.93	4.80	3.85	2.58	1.77	91	1.59	1.09
France	25	22	28	39	21	16	21	18	27
Other Countries	42	28	43	64	52	21	54	62	20
Total British Empire	32	37	69	52	47	50	61	91	54
Total Foreign Countries	3.41	4.25	5.33	4.67	3.16	2.24	1.53	2.32	1.48
Grand Total	3.73	4.82	6.02	5.19	3.63	2.74	2.14	3.23	2.02
Percentage of British Empire in total Declared Value per cwt.	8.6	11.8	11.3	10.0	12.9	19.3	28.5	28.1	26.7
	68-0-6	..	...	117-10-6	99-1-0	89-11-7	76-13-5	81-2-11	66-11-9

**Exports of Hides and Skins Tanned and Dressed.
Dressed and Tanned Hides.**

(Value in Lakhs of Rupees)

Name of Country to which Exported	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	1.52	4.38	2.91	3.10	2.51	2.08	1.60	2.38	1.94
Other Countries	4	2	29	34	8	5	2	3	4
Total British Empire	1.53	4.39	3.03	3.16	2.54	2.09	1.61	2.38	1.95
Total Foreign Countries	4	1	16	28	6	4	1	3	3
Grand Total	1.57	4.40	3.19	3.44	3.60	2.13	1.62	2.41	1.98
Percentage of British Empire in total	97.5	99.8	95.0	91.8	97.7	98.1	99.4	99.0	98.5
Declared Value per cwt.	87-10-10	...	...	120-7-11	112-8-4	..	...	91-1-1	87-7-5
Dressed and Tanned Skins.									
United Kingdom	2.15	1.99	2.14	3.87	3.23	2.77	2.77	2.92	2.91
United States of America	29	59	25	30	6	3	...	4	3
Japan	13	12	36	32	29	26	21	21	24
Other Countries	13	6	18	12	10	8	6	7	7
Total British Empire	2.21	2.02	2.26	3.94	3.28	2.81	2.81	2.95	2.93
Total Foreign Countries	50	73	67	68	40	33	23	29	32
Grand Total	2.71	2.75	2.93	4.62	3.68	3.14	3.04	3.24	3.25
Percentage of British Empire in total	81.5	74.5	79.5	85.3	89.1	89.5	92.1	91.5	90.2
Declared Value per cwt.	196-12-3	...	...	342-12-3	296-14-9	...	...	245-8-10	218-1-7

Exports of Manganese Ore.

(Quantity in Thousands of Tons)			(Value in Thousands of Rupees)														
Names of Countries	Pre-War Average	War Average	Post-War Average	1939-90	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	1939-90	1930-31	1931-32	1932-33	1933-34	1934-35	
United Kingdom	...	1.93	3.36	2.45	2.92	1.14	54	55	117	155	30.66	86.65	84.23	16.06	14.16	25.40	32.82
Germany	...	7	8	5	22	15	2	1	3	1	...	7.04	4.61	41	25	60	31
Netherlands	...	19	...	15	34	11	3	2	3	...	...	2.40	4.60	89	50	55	...
Belgium	...	1.50	15	1.94	1.78	73	35	32	19	37	25.84	48.24	23.98	10.65	9.50	2.49	6.50
France	...	97	47	1.08	2.08	1.88	80	75	61	113	17.24	53.53	49.46	17.87	16.83	10.60	17.76
Italy	...	3	12	12	4	1	...	...	...	...	...	1.50	...	...	...	...	...
Japan	...	4	12	2	15	6	...	31	62	99	...	...	...	...	6.65	10.77	18.95
United States of America	...	1.32	43	66	51	49	28	...	...	...	18.75	15.45	14.41	8.44	...	...	...
Other Countries	...	2	1	1	12	24	10	2	6	50	6.15	18.75	8.41	220	35	...	9.14
TOTAL	...	6.07	4.74	6.48	8.16	4.86	2.12	1.98	266	435	98.64	2,28.53	1,39.10	56.52	43.24	51.34	80.48
Percentage of U.K. to total	...	1.8	70.9	37.8	35.8	23.5	25.5	27.8	44.0	34.1	31.3	38.0	24.0	28.3	29.4	50.0	40.8
Declared value per ton	16.4-0	28-0-4	23-10-2	27-0-7	23-12-0	19-4-10	18-0-4

Exports of Shellac.

(Quantity in Thousands of Cwts.)										(Value in Lakhs of Rupees.)									
Exports of Opium.																			
United Kingdom	...	79	65	66	120	96	83	81	309	215	...	1.31	54	35	25	1.23	134		
United States of America	...	16.4	191	233	226	117	101	66	94	82	...	2.61	78	44	22	31	49		
Germany	...	61	4	11	63	64	34	34	40	20	...	79	89	15	10	11	13		
France	...	13	9	9	12	11	10	11	12	8	...	18	7	9	3	4	5		
Japan	...	4	12	10	27	28	34	27	31	43	...	33	18	15	8	10	29		
Australia	...	2	2	2	6	4	2	4	3	4	...	7	3	1	2	1	3		
Belgium	...	...	...	...	3	4	5	4	3	3	...	6	2	2	2	1	2
Italy	...	...	...	...	6	6	5	5	6	6	...	7	4	2	2	2	4
Other Countries	...	28	18	15	31	36	23	30	31	46	...	36	24	12	10	11	38		
TOTAL	...	356	801	356	498	366	297	2062	529	432	...	5.68	2.29	1.30	83	1.94	2.17		
Percentage of B. Empire to total	22.8	22.3	21.9	25.9	27.3	28.6	32.4	59.0	49.8	...	...	24.3	24.9	27.7	32.5	64.0	50.2
Declared value per cwt.	...	...	...	...	...	...	...	...	...	...	...	54-1-9	113-15-10	62-6-5	43-1-6	31-9-3	36-11-6
																	62-4-3		

Exports of Pig Lead (Value in Lakhs of rupees)

Names of Countries				Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	154.5	165.7	104.2	117.6	127.7	83.7
Germany	34.0	8.2	6.9	...	...	...
Belgium	20.6	4.3	4.6	...	...	...
Ceylon	11.1	8.9	5.9	4.0	3.6	5.2
China	2.9	3.4	3.8	3.2	0.9	0.5
Japan	17.4	18.7	38.7	20.9	17.1	40.6
Other Countries	4.0	7.7	9.2	1.9	2.4	7.9
Total British Empire (United Kingdom and Ceylon)					1,65.6	1,74.6	110.1	121.6	131.3	86.9
,, Other Countries					78.9	42.3	63.2	26.0	20.4	49.0
TOTAL					2,44.5	2,16.9	1,73.3	147.6	151.7	135.9
Percentage of U. K. and Ceylon in total					67.7	80.5	63.5	82.3	87.5	63.9

Exports of Wolfram Ore (Value in Lakhs of Rupees)

United Kingdom	...	...	...	...	19.6	52.5	56.2	50.2	60.9	97.5
Germany	...	...	...	...	5.2	3.8	3.8	0.7	1.7	4.0
Other Countries	...	...	...	...	3.2	1.7	2.4	0.5	1.8	5.8
TOTAL					28.0	58.0	62.3	51.4	64.4	107.3
Percentage of United Kingdom					70.0	90.6	90.5	97.7	94.5	90.9

Exports of Coal (Value in Lakhs of Rupees)

Names of Countries				Pre War Average 1909-10 to 1913-14	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	...	...	...	...	2	1	1.0	3.6	5.1	...
Ceylon	...	...	...	43	41	36	23.0	22.0	26.1	23.0
Straits Settlements	...	...	...	17	7	3	2.5	1.9	0.5	1.8
Hongkong	...	...	...	...	13	5	13.1	13.3	6.5	3.6
Philippine Islands and Guam	...	...	...	...	5	3	3.2	0.7	0.4	...
Other Countries	...	...	...	16	4	1	0.7	3.8	0.7	0.7
Total British Empire					63	45	50.6	39.3	36.2	28.4
,, Foreign Countries					9	4	3.9	4.5	1.1	.7
GRAND TOTAL					72	49	54.5	43.8	37.3	29.1
Percentage of British Empire in total					78.9	87.5	91.8	89.7	97.0	97.6

Exports of Pig Iron

United Kingdom	...	...	...	...	33.2	38.5	24.1	26.1	21.6	21.3
Germany	...	...	...	...	6.7	4.3	4.6	2.7	1.8	0.8
China	...	...	...	...	6.1	7.7	5.3	5.9	3.4	3.8
Japan	...	...	...	...	158.6	64.1	65.8	21.2	4.0	54.2
United States of America	...	...	...	...	38.8	49.8	17.9	10.9	13.8	6.9
Other Countries	...	...	...	...	16.0	15.0	5.0	4.6	3.2	5.7
TOTAL					259.4	170.4	122.7	74.4	85.0	92.7
Percentage of United Kingdom					12.8	22.6	19.6	35.1	25.2	22.9

Exports of Raw Wool

(In Lakhs of Rupees.)

		Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	...	261	352	227	250	98	146	92
United States of America	...	4.5	78	14	22	9	33	25
Other Countries	...	2.5	12	10	5	8	19	10
TOTAL	...	268	442	251	277	110	199	127

Manufactures.

United Kingdom	...	19	38	38.2	40.6	44.6	56.5	73.9
Ceylon	...	...	2.0	1.4	1.7	1.9	1.9	1.6
United States of America	...	2.4	36	20.9	10.8	12.7	8.5	7.8
Australia	...	...	1.53	0.3	0.1	0.7	0.6	1.0
Other Countries	...	1.7	7.5	6.0	3.2	3.6	5.2	5.5
TOTAL	...	25.1	85.00	67.8	56.4	63.5	72.7	89.8
Other kinds of Woollen Manufactures		2.8	6.8	4.7	2.7	4.3	1.3	2.0
Total of Woollen Manufactures	...	25.9	91.3	71.7	59.1	67.8	74.0	91.8
Total of Wool and Woollens	...	294.0	533.3	322.7	336.1	177.8	273	219.2
Declared value per lb. of Wool, Raw		0.7-10	0.14-1	0.13-2	0.11-2	0.6-8	0.5-8	0.6-0

Table showing the volume of principal articles imported into British India
(Figures in thousands unless stated otherwise)

Names of Articles		Pre-War Average 1909-10 to 1913-14		War Average 1914-15 to 1918-19		Post-War Average 1919-20 to 1923-24		1929-30		1930-31		1931-32		1932-33		1933-34		1934-35	
		Tons	Cwt.	Tons	Cwt.	Tons	Cwt.	Tons	Cwt.	Tons	Cwt.	Tons	Cwt.	Tons	Cwt.	Tons	Cwt.	Tons	Cwt.
Cotton—																			
Piecegoods (millions of yds.)	..	2,654		1,853		1,352		1,919		890		776		1,225		796		944	
Twist and yarn (millions of lbs.)	..	42		84		45		44		29		31		45		82		84	
Raw	..	12		58		12		24		58		79		85		43		60	
Waste	..	3		2		...		...		...		...		...		...		...
Metals and Ores.—																			
Iron and Steel	{ Protected	808		422		661		712		421		278		237		244		275	
"	{ Not Protected	...		...		...		...		...		...		...		...		...
Copper	..	593		90		260		261		201		134		186		279		495	
Lead	..	123		102		67		147		205		204		325		28		28	
Zinc	..	106		51		101		44		37		30		27		318		376	
Brass	..	20		113		444		194		208		206		326		471		637	
Aluminium	..	131		9		58		171		128		343		571		39		52	
Sugar	..	727		553		517		1,012		1,003		556		402		186		199	
Oils :—																			
Mineral	(millions of gallons)	91		83		139		253		242		217		188		165		...	
Other kinds (thousands of gallons)	..	1,197		862		445		2,375		1,985		3,930		8,151		6,383		8,346	
Motor Cars	No.	(a) 3		2		8		17		13		7		6		10		14	
" Cycles	"	(a) 1		1		2		2		1.5		0.9		0.8		0.7		0.8	
" Omnibuses, etc.,	"	...		...		1		15		9		4		3		5		10	
Provisions and Oilmans	Cwt.	578		488		501		1,257		1,237		945		904		849		416	
Grain, Pulse and Flour	Tons	15		34		136		384		277		156		77		124		...	
Silk Raw	lbs.	2,567		1,933		1,816		2,175		1,940		1,563		3,186		2,379		2,217	
" Waste	"	32		73		105		...		11		4		8		...		5	
" Piecegoods including mixed goods (in millions of yds.)	..	32		23		20		26		21		25		45		51		57	
" Yarns, Noils, Warps, etc.	lbs.	1,011		787		734		1,956		1,424		1,710		3,010		2,028		3,298	
Wool—Raw																			
Piecegoods (millions of yds.)	..	3,202		3,678		2,086		6,658		3,075		6,691		7,186		5,090		5,985	
Shawls	No.	22		8		5		13		8		6		14		11.5		11	
Other Manufactures	lbs.	1,685		198		80		658		392		164		338		332		416	
Liquors	gallons.	4,082		1,713		1,459		7,264		5,185		4,150		6,557		7,245		10,770	
Paper and Pasteboard	cwts.	6,401		4,362		4,825		7,579		7,182		5,666		5,415		4,833		4,912	
Spices	"	...		...		1,229		2,740		2,254		2,191		2,640		2,504		2,988	
"	"	1,329		1,365		1,265		1,654		1,347		1,270		1,272		1,365		1,509	

(a) Figures for 1913-14.

Table showing the volume of principal articles imported into British India—(Contd.)
(Figures in thousands unless stated otherwise)

Names of Articles		Pre War	War	Post War	1920-30	1930-31	1931-32	1932-33	1933-34	1934-35
		Average 1909-10 to 1913-14	Average 1914-15 to 1918-19	Average 1919-20 to 1923-24						
Chemicals—										
Soda Compounds	cvts.	531	826	903	1,659	1,507	1,515	1,638	1,653	2,208
Tobacco	(in millions of lbs.)	3	4	6	10	5	4.5	6	5	4
Glass—Bottles and Phials	gross	166	345	333	703	616	461	810	786	8,30
Glass Beads and false Pearls	cwt.	29	18	22	37	19	15.5	23	22	21
" Sheet & Plates (milli. ns of sq. ft.)		16	8	15.5	22	20	16	19	20	25
Dyes from Cotton (in millions of lbs.)		15	8	12	19	18	18	13	14	19
Camphor	lbs.	1,417	1,632	707	1,838	1,770	1,933	1,755	1,786	2,019
Quinine Salts	"	119	76	31	129	107	111	103	128	108
Fruits—Dried, Salted. etc.	tons	53	53	63	70	69	71	61	57	84
Soap	cwt.	314	342	289	448	332	310	296	303	207
Paints and Colours	"	296	255	299	493	453	334	340	370	356
Cement	tons.	30	95	119	121	112	88	83	66	67
Bricks and Tiles	(millions) No.	18	17	20	22	12	11	11	14	13
Salt	C. tons.	545	444	511	644	704	451	544	349	378
Teak wood		92	70	26	11	11	12	7	12	9
Boots and Shoes (millions of pairs)		2.3	1.2	0.6	6.8	10.9	9.5	7.9	7.3	4.3
Books, Printed, etc.	cwt.	31	28	23	40	34	31	27	30	34
Tea	(millions of lbs.)	4.8	7.4	7.7	10.2	6.6	7	5.8	4.7	3.1
Coal and Coke	tons	455	133	630	237	179	68	47	76	71
Paper-making materials	cwt.	171	135	165	486	454	443	313	406	390
Gums and Resins	cwt.	130	87	163	213	181	140	145	187	197
Flax manufactures (millions of yds.)		5.2	3.1	1.3	2.1	1.3	1.6	1.6	1.6	1.6
Animals—living	No.	14	12	5	9	8	12	5	6	9
Hides and Skins—raw	tons	1	1	1	2	1.6	1.8	1.8	2.2	2.0
Tallow and Stearine	cwt.	57	40	64	103	103	123	140	117	147
Fish (excluding Canned Fish)	cwt.	205	129	119	110	105	83	93	103	97
Matches	(millions of gross)	14.6	14.6	12.7	1.0	0.4	0.1	0.06	0.08	0.05
Oil-Cloth and Floor-Cloth	sq. yds.	1,444	1,121	634	1,340	861	733	944	855	1,046
Cordage and Rope	cwt.	23	25	15	26	22	20	15	18	22
Pitch and Tar	"	290	219	103	45	45	63	117	135	105

Table showing the value of principal Imports into British India
(In Lakhs of Rupees)

Names of Articles	Pre-War Average 1909-10 to 1918-14		War Average 1914-15 to 1918-19		Post-War Average 1919-20 to 1923-24		1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Cotton—Raw and Waste	1.03	45	2.01	3.42	6.39	7.08	7.26	8.56	5.28			
„ Piecegoods	45.24	44.40	58.26	50.25	20.05	14.67	21.26	13.49	16.92			
„ Other Manufactures	6.94	798	12.89	19.24	5.21	4.48	5.57	4.25	4.84			
Machinery and Millwork	5.61	514	21.65	18.22	14.35	10.92	10.54	12.77	12.64			
Metals and Ores—Iron and Steel	12.49	10.11	21.89	17.21	10.89	6.32	5.80	5.52	6.88			
Copper	3.07	71	1.92	93	1.04	85	1.15	88	1.40			
Other Metals	2.51	2.07	4.90	5.45	3.98	2.60	3.28	3.09	3.59			
Ores	2	2	4	8	1	1	1	1	1			
Oils—Mineral	3.72	4.02	8.03	11.04	10.48	9.04	6.70	5.83	6.07			
Other Oils	23	22	25	65	44	68	1.30	92	90			
Silk—Raw and Manufactures	395	3.93	5.74	4.58	3.00	2.74	4.33	3.59	3.87			
Sugar (including Molasses)	12.93	14.56	19.71	15.78	10.96	6.17	4.23	2.71	2.11			
Instruments, Apparatus and Appliances	1.86	1.66	3.92	5.88	4.77	3.69	3.85	4.02	4.73			
Vehicles—Motor Cars	1.13*	73	3.12	3.76	2.58	1.48	1.29	1.77	2.57			
„ Cycles	11*	6	19	11	8	4	4	8	4			
„ Omnibuses	6	6	70	2.42	1.42	67	41	66	1.20			
Other Vehicles	45	75	2.25	4.56	3.23	2.29	2.08	2.31	2.76			
Hardware	3.17	2.79	5.79	5.07	3.60	2.61	2.99	2.88	3.05			
Wool and Woollens	3.25	2.00	2.62	4.28	2.81	1.62	2.96	2.55	3.86			
Provisions and Oilman's Stores	2.29	2.28	3.20	5.64	4.88	3.41	2.93	2.72	2.89			
Paper and Pasteboard	1.27	2.02	3.50	3.72	2.87	2.50	2.86	2.63	2.73			
Chemicals	90	1.92	2.05	2.79	2.61	2.57	2.71	2.70	2.92			
Dyes	1.33	1.06	2.91	2.43	2.59	2.68	2.50	2.46	3.08			
Liquors	2.02	2.37	3.72	3.77	3.82	2.27	2.26	2.27	2.86			
Rubber	23	97	1.84	3.33	2.57	2.21	1.98	1.88	2.06			
Drugs and Medicines	94	1.21	1.70	2.26	1.94	1.91	1.86	1.93	1.92			
Spices	1.64	2.06	2.37	3.26	2.55	2.08	1.72	1.56	1.55			
Glass and Glassware	1.62	1.28	2.58	2.52	1.65	1.22	1.42	1.22	1.33			
Fruits and Vegetables	1.03	1.10	1.76	1.83	1.49	1.34	1.17	1.00	1.30			
Tobacco	71	1.82	2.28	2.70	1.51	94	97	72	62			
Paints and Painter's Materials	71	90	1.44	1.47	1.12	88	92	92	97			
Apparel	147	1.43	1.70	1.71	1.11	85	84	82	82			
Precious Stones and Pearls, unset	93	47	1.19	1.10	60	45	84	75	50			
Soap	62	96	1.71	1.67	1.12	89	83	78	63			
Salt	79	1.82	1.74	1.30	1.15	72	79	50	52			
Building and Engineering Materials	78	99	1.67	1.34	1.10	84	77	64	60			
Stationery	58	64	1.07	1.05	81	64	72	66	69			

*Figures for 1918-14.

Table showing the value of principal Imports into British India—(Contd.)

(In Lakhs of Rupees).

Name of Articles	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1928-24	1918-19	1919-20	1928-29	1929-30	1930-31
Grain, Pulse and Flour ...	20	53	2,70	2,82	71	84	2,66	2,66
Haberdashery and Millinery ...	1,37	1,02	1,81	73	68	55	...	...
Toilet Requisites ...	20	25	42	54	58	57	64	64
Belting for Machinery ...	40	60	34	63	53	46	50	50
Manures ...	5	5	10	67	53	52	67	67
Boots and Shoes ...	57	41	41	88	52	48	35	35
Wood and Timber ...	79	1,02	1,09	90	51	54	57	57
Earthenware and Porcelain ...	52	46	72	48	50	43	44	44
Tea Chests ...	44	80	72	64	48	53	52	52
Toys and Requisites for Games ...	40	30	52	49	47	53	51	51
Books, Printed, etc. ...	43	46	53	61	46	49	52	52
Arms, Ammunition and Military Stores	34	33	60	54	44	43	24	24
Tea ...	22	47	55	46	35	25	17	17
Jewellery, also plate of gold and silver	24	9	17	39	34	5	21	21
Bobbins ...	...	37	66	43	29	22	29	29
Umbrellas and Fittings ...	42	29	38	31	28	27	27	27
Tallow and Stearine ...	16	16	27	27	25	22	22	22
Cutlery ...	22	15	30	26	24	26	28	28
Gums and Resins ...	24	20	38	31	24	27	27	27
Paper-making Materials ...	11	18	81	42	22	27	26	26
Furniture and Cabinetware	22	15	26	28	18	17	20	20
Flax, Raw and Manufactures	31	42	39	22	17	17	18	18
Animals, Living ...	44	52	25	21	15	28	25	25
Fish (excluding canned fish)	31	20	22	24	14	15	17	17
Jute and Jute Goods ...	19	36	22	18	18	10	9	9
Clocks, Watches and parts	23	18	24	17	13	16	16	16
Coal and Coke ...	81	30	2,25	35	10	14	12	12
Matches ...	88	1,53	1,77	4	1	1	1	1
All other articles	7,96	10,83	24,24	10,54	10,31	10,62	10,23	10,23
TOTAL	1,45,85	1,47,80	2,54,05	1,64,79	1,32,58	1,15,86	1,32,25	1,32,25

Imports of Cotton, Twist and Yarn

(Quantity in Lakhs of Lbs.)

(Value in Lakhs of Rupees)

Names of Countries	Pre War Average	War Average	Post-War Average	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945
United Kingdom	370	247	257	201.1	103.2	119.1	133.6	99.5	97.8	335.2	295.9	121.8	131.8
Switzerland	11.3	3.4	6.0	6.9	0.7	0.5	0.7	0.1	0.1	...	9.7	0.6	0.7
Italy	6.1	8.0	2.9	14.3	0.7	1.4	...	0.2	...	5.0	16.6	0.8	0.3
China (including Hongkong)	0.4	2.3	7.3	105.8	117.4	132.2	133.2	102.3	127.7	...	110.8	95.8	84.8
Japan	4.6	74.2	167.9	108.7	68.9	62.1	181.5	116.8	118.4	6.2	163.8	82.8	95.7
Other Countries	25.5	10.7	5.7	2.0	0.5	0.3	2.0	1.6	1.1	30.8	3.0	0.5	1.3

TOTAL	417.9	340.6	447.8	448.8	291.4	313.8	451.0	320.6	340.1	877.2	599.8	308.4	298.9
Percentage of U. K.	89.5	72.5	37.5	45.8	35.4	37.4	29.6	31.0	28.7	88.8	49.3	41.0	40.7
Declared Value Per lbs....	..	...	...	...	...	...	...	...	...	0.14-5	1.5-10	1.0-11	1.1-5
													1-2.9
													0.12-10
													0.12-3

Imports of Cotton Piecegoods

(Quantity in Millions of Yards)

Grey—

United Kingdom	1,316	815.2	569	520	143.3	59.7	111.1	88.2	102.7	20.74	11.76	281	96	176	135	158.0
Japan	2.6	81.2	97	394	218.8	185.2	243.9	141.6	193.7	...	8.91	898	289	329.6	170	243.3
United States	10.4	7.4	8	1	0.5	0.5	0.3	0.2	0.3	...	3	2	1	0.6	0.5	0.3
Other Countries	2.0	1.1	3	10.5	2.9	4.0	0.7	0.1	0.7	...	23	6	6	1.1	0.2	1.0

TOTAL	1,331	904.9	677	925.5	365.0	240.4	356.0	230.1	297.4	21.09	20.93	687	392	507.3	305.7	403.1
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White —

United Kingdom	642.9	510.0	368.5	435.9	230	207	281	181.2	236.6	10.87	12.02	5.23	402	526.8	369	451.6
Netherlands	7.6	3.8	4.4	7.5	4.3	3.6	2.2	1.5	2.0	...	29	15	10.6	6.5	4	5.6
Switzerland	2.6	0.8	1.7	8.6	5.4	5.9	6.5	0.6	4.6	...	35	19	17.1	24.9	2	16.8
Japan	...	3.3	2.6	13.9	28.1	59.8	120.4	75.2	40.2	...	33	51	98.4	162.6	96	64.5
Other Countries	1.1	1.0	1.4	7.7	3.9	3.4	2.6	0.5	1.8	...	33	13	9.5	11.8	2	8.0

TOTAL	654.2	518.9	373.6	479.6	271.7	270.7	412.7	261.9	285.2	11.20	13.27	6.21	532.6	731.3	473	546.6
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Imports of Cotton Piecegoods—(Contd.)

(Quantity in Millions of Yards)																	(Value in Lakhs of Rupees)																
Names of Countries		Pre-War Average	War Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35																
Coloured, Printed or Dyed—																																	
United Kingdom		...	590.4	350.8	254.6	279.0	148.0	110.3	194.3	142.4	212.9	11.80	950	447.6	285.4	487.6	854.1	504.3															
Germany		...	...	...	1.4	0.6	0.5	0.6	0.5	0.5	0.1	...	9	3.6	3.9	4.9	...	1.1												
Netherlands		...	15.2	8.8	7.0	14.2	8.5	3.1	2.6	0.2	0.2	...	70	35.1	10.1	7.7	0.5	1.4															
Belgium		...	4.1	0.5	0.8	0.9	0.4	0.2	0.2	0.2	0.1	...	8	3.0	1.3	1.5	...	0.7															
Switzerland		...	2.7	1.7	1.5	1.6	0.7	1.6	3.3	...	3.1	...	10	3.8	6.9	14.1	...	10.9															
Italy		...	10.3	9.1	4.2	23.0	8.8	9.9	7.2	0.4	1.9	...	83	28.1	25.9	18.8	1.4	5.9															
Straits Settlements (including Labuan)		...	1.5	0.7	1.4	1.5	0.7	0.4	0.2	0.9	0.3	...	...	3.1	1.5	0.8	1.4	0.7													
Japan		...	0.5	13.1	14.0	154.3	74.3	94.7	214.2	124.1	139.8	...	345	143.7	162.7	291.9	165.4	211.7															
Other Countries		...	6.9	1.6	1.9	7.6	3.7	2.5	2.2	0.7	2.5	1.65	33	13.9	7.5	6.8	2.6	6.0															
TOTAL		631.6	386.3	285.4	433.5	245.7	223.2	424.8	263.7	360.9	12.95	15.15	681.9	505.2	834.1	525.4	742.7																
Ferts—																																	
United Kingdom		14.4	26.1	11.9	12.5	2.5	6.5	10.7	11.1	—	...	36.4	5.5	13.0	19.3	16.6	...																
United States of America		0.3	5.3	4.3	23.9	4.8	16.4	19.4	15.6	—	...	52.7	9.8	22.9	30.2	15.9	...																
Japan		...	...	...	...	...	...	1.2	8.2	...	...	...	...	...	1.3	11.9	...					
Other Countries		...	0.2	0.5	0.4	0.3	0.4	0.4	0.1	...	...	1.2	0.5	0.8	1.1	0.5	...														
TOTAL		14.9	31.9	16.3	36.8	7.6	3.3	31.7	35.0	...	...	90.3	15.8	36.7	51.9	44.9	...														

Imports of Sugar

(Quantity in Hundreds of Tons.)

(Value in Lakhs of Rupees)

Names of Countries	Pre-War Average 1909-10 to 1913-14	War Average 1914-15 to 1918-19	Post-War Average 1919-20 to 1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	7	4	7	59.3	8.4	22.9	34.9	36.7	16.8	25.4	103.23	10.0	28.0	33.1
Ceylon	...	...	...	3.6	5.7	1.0	1	...	...	...	8.3	9.5	1.3	0.1
Straits Settlements	1.7	28.5	7.5	6	5	4	2	1	2	3.7	1.9	1.4	0.8	0.5
Java	459.0	367.2	382.8	770.4	802.8	866.7	294.8	194.4	175.9	923.3	12,68.7	936.5	436.2	329.7
China (Incl. Hongkong)	4.4	5.7	6.5	5.9	5.0	4.0	2.2	3.4	8.8	10.3	6.3	8.9	9.0	4.4
Russia	...	...	...	...	42.6	68.4	8.8	...	...	...	...	44.8	66.3	8.9
Poland	...	...	...	24	1.6	1.3	...	...	...	...	3.1	2.0	15.4	...
Germany	...	...	...	13.7	11.5	15.4	2	...	1	8.8	24.0	15.0	17.7	0.3
Hungary	...	...	113	34.6	13.8	6	...	...	...	83.1	59.0	15.9	0.7	...
Czechoslovakia	...	...	...	95	5	9	4	...	...	...	18.0	0.7	1.2	0.5
Other Countries	174.2	70.2	35.2	30.0	9.2	34.5	27.8	29.1	26.5	209.4	58.9	9.1	24.1	29.7
TOTAL	634.0	472.0	444.0	939.0	901.1	516.1	401.7	263.7	223.3	12,51.0	15,51.4	10,53.8	600.7	422.9

Imports of Machinery and Millwork.

(Value in Lakhs of Rupees)

Names of Countries	Pre-War Average	War Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	497.7	420.4	17,60.3	13,68.3	10,72.2	7,73.2	7,81.2	8,73.5	9,15.3
United States of America	24.6	66.8	3,10.8	1,75.2	1,64.2	1,22.1	81.1	80.7	114.8
Japan	0.6	13.5	6.0	6.3	4.8	3.7	4.1	7.8	11.2
Italy	1.4	2.4	4.3	13.4	15.2	...	...	...	...
Germany	30.3	2.5	38.9	1,73.8	1,18.1	1,12.3	98.1	132.0	126.6
Belgium	1.8	...	...	17.7	14.4	26.8	38.6	42.6	16.7
Other Countries	4.7	8.3	44.5	79.3	45.9	55.2	51.1	140.3	79.1
TOTAL	561.1	5,13.9	21,64.8	18,36.0	14,34.8	10,92.3	10,54.2	12,76.9	1263.7
Share of United Kingdom	88.7%	81.3%	81.3%	74.5%	74.7%	70.8%	74.1%	68.4%	74.1

Imports of some kinds of Iron and Steel Manufactures
(Value in Lakhs of Rupees)

(Quantity in Thousands of Tons)

Name of Countries	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Steel Bars (other than Cast Steel)																
United Kingdom	...	23'0	45'6	32'3	20'4	11'0	11'5	14'9	18'1	36'2	62'4	47'6	80'5	15'7	15'2	19'8
Germany	...	14'3	18'7	10'3	2'8	1'4	2'8	3'1	2'9	12'7	14'1	11'3	2'7	1'6	2'6	3'0
Belgium	...	110'6	80'2	81'5	43'7	38'5	32'0	27'7	25'2	1,03'3	82'8	85'3	83'9	25'6	22'7	23'1
Luxemburg	...	22'0	15'8	38'0	14'4	20'8	17'1	12'8	11'0	19'0	16'6	38'7	12'1	15'9	10'7	10'1
France	...	8'8	12'3	6'0	5'2	5'0	4'8	5'5	2'8	7'7	12'6	0'4	4'6	8'9	3'2	4'2
Other Countries	...	2'4	1'1	1'1	0'9	0'8	0'9	2'1	2'6	4'2	3'4	3'2	2'8	2'3	2'4	2'8
TOTAL	...	181'1	169'8	169'3	87'4	72'5	69'2	66'1	62'6	183'1	191'9	192'6	91'2	65'1	56'8	63'0
Beams, Channels, Pillars, Girders and Bridgework																
United Kingdom	...	63'2	67'6	51'5	36'9	14'0	5'8	9'2	9'9	98'8	1,00'7	79'1	62'3	22'1	8'4	13'0
Germany	...	3'1	2'2	6'8	8'6	6'0	1'1	2'3	4'4	4'7	1'9	7'7	6'9	4'7	0'8	1'8
Belgium	...	58'3	44'6	30'3	22'5	9'5	5'9	5'1	5'8	61'9	41'1	29'2	19'6	7'4	4'2	4'1
France	...	16'3	20'6	14'1	17'5	5'9	2'7	1'7	1'8	14'0	18'7	13'4	14'1	4'6	1'7	1'2
United States of America	...	0'1	0'1	0'2	0'2	...	...	...	...	0'7	0'5	0'6	0'6	...	...	...
Other Countries	...	2'8	0'6	1'8	1'1	0'7	0'2	'9	0'4	4'2	0'7	1'9	1'4	1'0	0'2	'9
TOTAL	...	144'4	135'8	104'9	86'8	36'1	15'7	19'2	22'3	1,84'3	1,63'7	1,31'9	1,04'9	39'8	15'3	21'0
Sheets and Plates (including Galvanized and Tinned)																
United Kingdom	...	3'59	8'55	2'67	1'26	7'9	7'6	7'7	8'2	8'47	7'50	5'69	2'48	1'49	1'90	1'40
Belgium	...	53	56	65	59	32	24	9	5	85	98	1,19	99	60	55	12
United States of America	...	12	14	11	11	...	...	...	...	42	49	37	36	1	...	...
Germany	...	1	1	1	1	...	...	...	...	1	1	1	1	...	...	...
Other Countries	...	11	7	7	7	3	2	6	9	21	14	12	18	5	5	14
TOTAL	...	4,36	4,33	3,51	2,04	1,14	1,02	92	96	9,96	9,07	7,38	3,97	2,15	1,70	1,66

Imports of Electrical Instruments, Apparatus and Appliances

(Value in Lakhs of Rupees)

Name of Countries	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	199	215	174	115	122	131	162
Germany ...	30	43	43	33	34	25	32
Netherlands ...	15	16	15	13	11	11	13
Belgium ...	...	...	7	5	3	3	2
Italy ...	12	14	9	5	6	6	8
Japan ...	6	10	7	5	17	15	17
United States of America ...	39	47	44	30	27	24	30
Other Countries ...	12	16	12	17	17	15	17
TOTAL ...	3,13	3,61	3,11	2,23	2,34	2,31	281

Imports of Kerosene Oil

(Value in Lakhs of Rupees)

Name of Countries	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Russia ...	88	42	56	...	1,64	1,50	1,48
Georgia ...	1,50	1,07	1,21	1,13	...	...	...
Azerbaijan ...	...	44	65	72	...	...	...
Persia ...	1,62	1,58	86	95	39	2	..
United States of America ...	95	1,47	1,43	1,28	18	13	6
Other Countries ...	86	91	68	25	33	62	1,07
TOTAL ...	5,76	5,89	5,84	4,33	2,54	2,27	2,61
Declared value per gallon ...	0-8-9	0-8-10	0-8-8	0-8-1	0-6-10	0-6-5	0-5-11

Imports of Cement

Name of Countries	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	52	47	36	25	17	14	18
Germany ...	2	2	1	1	...	...	...
Japan ...	6	7	13	10	8	6	4
Other Countries ...	8	8	5	5	4	2	2
TOTAL ..	68	64	55	41	29	22	24
Declared value per cwt. ...	2-10-7	2-10-1	2-7-4	2-5-0	1-12-0	1-10-11	...

Imports of Motor Vehicles

(Quantity in Numbers)

(Value in Lakhs of Rupees)

Name of Countries

Motor Cars (Including Taxi-Cabs)—

	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	War- Average	Post-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	3,758	2,885	2,178	3,958	5,848	6,272	77	24	80	97	71	50	80	106	123
United States of America ...	9,620	5,098	3,868	1,201	2,227	5,552	21	46	166	195	100	65	29	36	98
Germany ...	...	45	212	146	106	99	...	...	...	...	2	4	2	2	2
France ...	...	364	261	161	84	26	5	2	7	10	7	5	2	1	1
Italy ...	...	1,150	917	510	226	253	...	2	9	26	19	10	5	5	4
Canada ...	...	2,318	3,250	376	296	1,715	...	...	35	42	54	10	6	26	33
Others Countries ...	...	189	145	115	290	80	10	1	15	6	5	4	5	1	1
TOTAL	17,399	12,601	7,220	6,201	9,759	14,348	1,13	75	5,12	3,76	258	148	129	177	257

Motor Cycles (Including Scooters)—

United Kingdom ...	...	1,842	1,395	808	699	612	675	10.3	5.1	18.5	10.4	7.6	3.3	3	3.4
United States of America ...	...	35	53	8	1	12	17	...	...	...	0.2	0.3	...	0.1	0.1
Other Countries ...	...	79	53	110	82	76	102	0.40	1.3	5.9	0.4	0.2	0.2	0.2	0.3
TOTAL	...	1,956	1,501	926	782	700	794	10.7	6.4	19.4	11.0	8.1	3.5	3.3	3.8

Motor Buses—

United Kingdom ...	...	398	258	435	517	528	1,148	3.6	2.7	22.8	17.5	15.2	14.4	9.9	25.3
United States of America ...	...	12,017	6,197	3,236	1,793	3,692	6,448	0.7	2.7	29.7	1,76.3	88.8	42.4	24.7	66.4
Canada ...	...	2,799	2,897	598	338	1,243	2,058	...	...	6.2	45.7	36.0	9.0	5.8	25.6
Others Countries ...	...	...	61	38	28	33	185	1.4	1.0	10.9	2.2	1.6	0.7	0.6	2.3
TOTAL	...	15,306	8,913	4,302	2,676	5,496	9,839	5.7	6.4	69.6	241.7	141.6	66.5	41.0	119.6

Imports of Rubber Manufactures

(Quantity in Thousands)		(Value in Lakhs of Rupees)									
Name of Countries		1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1937-38	1938-39
Pneumatic Motor Covers											
United Kingdom	...	1,16	1,17	1,32	81	87	1,08	197	229	47.6	45.4
Germany	...	11	19	36	31	18	16	10	15	4.5	7.1
France	...	63	48	34	20	23	15	7	2	22.8	17.6
Italy	...	27	46	49	28	30	32	10	4	8.9	17.0
Canada	...	89	1,45	1,17	55	24	12	22	12	36.1	56.9
United States of America	...	1,08	82	1,13	1,41	1,59	87	37	38	43.5	37.0
Other Countries	...	5	6	6	15	7	21	28	25	0.9	1.6
TOTAL	...	4,19	4,63	4,87	3,71	3,48	2,92	3,11	3,27	169.3	182.6
Pneumatic Motor Cycle covers											
United Kingdom	...	84	97	1,00	32	46	32	38	38	116.0	83.1
United States of America	...	10	1	7	3	7	5	2	2	14.8	2.4
Other Countries	...	32	64	47	56	36	17	11	4	41.8	73.3
TOTAL	...	1,26	1,62	1,63	91	89	54	51	44	172.6	165.8
Pneumatic cycle covers											
United Kingdom	...	8,50	4,18	8,44	6,29	9,56	7,71	11,17	1,325	7.2	8.0
Germany	...	8	38	1,20	1,02	2,41	45	38	71	0.2	0.6
France	...	2,49	2,32	2,03	1,83	1,72	86	97	9	4.4	4.8
Other Countries	...	34	98	47	1,76	2,65	4,64	5,20	180	0.6	2.6
TOTAL	...	6,41	7,86	12,14	10,90	16,34	18,69	17,72	1,385	12.4	16.0
Solid Rubber Tyres for Motor Vehicles											
United Kingdom	...	55	43	24	23	18	18	24	34	661.6	481.3
Germany	...	18	10	12	5	7	2.9	5	5	174.6	145.1
United States of America	...	34	20	20	16	8	7.8	2	4	434.6	263.4
Other Countries	...	16	8	4	1	2	0.6	1	5	199.5	114.9
TOTAL	...	1,18	81	60	45	35	29.3	32	48	14,70.3	10,01.7

Imports of Metals and Metal Manufactures

(Value in Lakhs of Rupees)

Copper (excluding Ore)

Name of Countries	Post-War Average 1909-20 to 23-24	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	1,14	30	29	29	28	40	61
Japan ...	8	4	...	...	...	...	19
France ...	4	18	20	13	1	...	1
Germany ...	20	31	29	29	67	32	30
Belgium ...	2	5	5	2	4	1	1
Other Countries ...	44	6	21	12	15	14	23
TOTAL ...	1,92	94	1,04	85	1,14	87	135
Declared value of Copper Wrought per cwt. ...	...	64-9-2	51-7-0	41-13-4	35-4-10	31-9-7	...

Hardware (excluding Cutlery and Electroplated Ware)

	Post-War Average 1919-20 to 1923-24	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	3,12	1,80	1,31	96	91	98	98
Sweden ...	13	17	13	12	15	16	17
Germany ...	59	165	1,08	76	1,08	86	95
Austria ...	5	12	7	4	5	4	4
Japan ...	46	26	21	16	30	35	32
United States of America ...	1,22	59	45	27	17	23	30
Other Countries ...	22	48	35	30	33	27	29
TOTAL ...	5,79	5,07	3,60	2,61	2,99	2,38	3,05

Cutlery

	Pre-War Average 1909-10 to 1913-14	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	10.5	11.1	8.3	5.9	6.5	7.8	8.3
Germany ...	7.9	26.8	15.7	13.2	14.3	13.7	14.8
Other Countries ...	3.3	3.5	2.0	1.6	3.5	4.0	4.9
TOTAL ...	21.7	41.4	26.0	20.7	24.3	25.5	28.0

Imports of Salt

	Pre-War Average 1909-10 to 1913-14	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	27	19	9	6	4	1	1
Germany ...	17	14	20	5	10	8	10
Spain ...	24	14	11	...	4	...	...
Aden and Dependencies ..	53	44	28	49	40	37	38
Egypt ...	35	21	22	2	6	1	2
Italian East Africa ...	15	13	22	10	14	2	1
Other Countries ...	4	5	3	...	1	1	...
TOTAL ...	1,75	1,30	1,15	72	79	50	52
Declared value per ton ...	29-5-2	20-4-0	16-11-10	15-15-4	14-8-8	13-6-5	13-10-1

Imports of Boots and Shoes.

(Value in Lakhs of Rupees)

(Quantity in Thousands of Pairs)														(Value in Lakhs of Rupees)													
Name of Countries		1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35													
United Kingdom		634	245	153	207	129	145	51.0	22.3	11.1	6.6	6.2	5.8	6.1													
Germany		552	204	64	93	46	7	...	7.3	2.2	0.7	1.1	1	0.3													
Austria		219	34	7	2	...	2	2.5	2.6	0.5	0.3	0.2	0.2	0.2													
Czechoslovakia		47	61	63	268	377	284	...	2.1	2.3	2.4	4.6	5.9	7.1													
Japan		40,44	10,089	8,784	6,892	6,620	3,620	0.2	29.4	67.2	48.7	31.6	32.4	19.8													
United States of America		538	104	7	2	1	2	0.5	10.4	1.5	0.2	0.1	...	...											
Canada		549	70	1	...	2	1	...	10.4	1.5	...	...	...	...									
Other Countries		178	114	461	418	139	196	2.5	3.3	1.7	6.0	8.0	2.3	1.3													

Total of U. K. and Canada

Percentage of U. K. and Canada
in Total

Declared value per pair

Imports of Cotton Raw.

(In Lakhs of Rupees)

(Quantity in Hundreds of Tons)

	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	3.4	24.7	5.2	6.1	...	14	58.7	4.7	27.4	4.2	4.6	...	12.0
Persia	2.2	0.8	4.6	8.8	...	9	...	1.9	0.6	2.4	4.5	4	...
Egypt	5.1	218.4	143.6	91.4	6.1	169	4.5	8.0	216.7	131.0	77.9	5.3	154.8
Kenya Colony	190.4	226.9	321.8	206.9	24.2	327	0.1	280.6	288.0	316.8	177.7	20.2	276.6
Tanganyika Territory	5.7	3.9	5.7	9.4	2.6	24	...	7.6	10.4	4.6	8.1	2.3	22.1
Anglo-Egyptian Sudan	...	0.3	16.8	64.5	9	34	...	...	0.3	16.9	66.2	7	29.4
United States of America	16.9	97.6	286.2	457.9	8.1	16	27.7	19.6	83.2	223.6	384.6	6.4	16.0
Other Countries	16.1	12.0	4.3	2.6	1	22	11.2	19.7	12.3	3.9	2.1	2	19.5
TOTAL	239.8	584.6	793.2	847.6	42.9	606	102.2	342.1	638.9	703.4	725.7	35.5	528.4
Total British Empire	198.8	251.9	343.8	277.5	33.8	375	58.3	255.3	315.7	332.9	248.5	28.9	318.0
Percentage of British Empire	80.8	43.1	43.3	32.9	78.7	61.9	57.5	83.4	49.4	47.3	31.2	81.3	60.2

Imports of Silk—Raw and Manufactured.

(Value in Lakhs of Rupees.)

(Quantity in Thousands of lbs.)

Name of Countries

Pre-War
AveragePost-War
Average18-1930
1930-1931

1931-1932

1932-1933

1933-1934

1934-1935

1935-1936

1936-1937

1937-1938

1938-1939

1939-1940

1940-1941

1941-1942

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2017-2018

2018-2019

2019-2020

2020-2021

2021-2022

2022-2023

2023-2024

2024-2025

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Imports of Wool and Woollens
(*Value in Lakhs of Rupees*)

Wool Raw—		1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom		19	17	5	9	18	14	18
Persia ..		9	9	3	5	3	2	...
Australia ...		17	22	10	15	18	18	21
Other Countries		4	4	1	2	3	25	2
TOTAL		49	52	19	31	42		
Carpets and Floor Rugs—								
United Kingdom		6.1	3.4	2.4	2.0	1.8	1.5	2.4
Persia ...		1.8	1.5	1.1	2.1	0.8	0.2	0.1
Other Countries		1.6	4.0	1.0	1.1	1.5	0.6	0.9
TOTAL		9.5	9.9	4.5	5.2	4.1	2.3	3.4
Piecegoods—								
United Kingdom		1,21.7	90.8	47.7	24.8	52.5	57.4	46.5
Germany ...		38.4	24.6	8.2	4.2	8.8	6.5	7.6
Netherlands ...		7.2	8.4	3.7	2.4	1.6	0.9	0.7
Belgium ...		7.9	5.4	3.9	1.5	5.9	4.6	0.5
France ...		61.5	60.1	24.0	16.1	34.3	17.4	4.2
Italy ...		31.1	29.8	25.3	15.1	42.1	22.6	3.5
Japan ...		2.5	4.8	2.9	0.7	7.8	15.5	73.1
Other Countries		13.7	9.3	4.2	3.9	8.2	5.4	3.7
		1,84.0	33.2	1,19.9	68.9	1,61.2	1,30.3	1,39.8

(*In Lakhs of Rupees*)

Woollen Shawls—		Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom	...		2.8	0.7	0.1	0.4	0.2	...
Germany	...		16.3	9.6	4.9	7.9	7.5	6.7
Other Countries	..		7.8	3.8	0.9	2.6	1.7	5.3
TOTAL		41.5	26.9	14.1	5.9	10.8	9.5	12.0
Hosiery	...	12.0	20.0	9.7	6.7	6.9	8.8	12.3
Other sorts of Manufactures		32.1	86.5	68.9	44.4	71.5	69.9	178.0
TOTAL OF WOOL & WOOLLENS		3,24.6	4,28.5	2,81.1	1,62.1	2,96.5	2,54.9	386.5

Imports of Artificial Silk Manufactures.

(Value in Lakhs of Rupees)

	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Piecegoods of Cotton and Artificial Silk								
United Kingdom	99.1	84.1	41.6	12.7	9.6	17.1	14.1	...
Germany ...	49.7	26.6	9.7	3.9	4.9	7.8	2.1	...
Switzerland ..	88.9	53.2	43.4	15.3	7.6	4.4	11.1	...
Italy ...	91.3	92.6	51.2	19.6	16.0	21.8	16.3	...
Austria ...	25.3	17.6	9.2	2.8	1.6	3.0	3.7	...
Japan ...	10.3	30.5	140.0	150.4	208.6	252.4	124.2	...
Other Countries	21.8	25.8	19.9	6.9	3.5	3.7	2.4	...
TOTAL	386.4	330.4	315.0	211.6	251.8	310.2	178.9	...
Other Artificial Silk Manufactures								
United Kingdom	49.2	33.2	24.3	14.2	13.3	15.1	17	24.4
Germany ...	7.1	12.5	7.2	5.3	4.0	3.9	4.7	2.3
Netherlands ...	10.7	13.4	6.4	8.7	10.1	7.1	2.0	0.3
France ...	11.0	6.5	11.6	1.4	7.3	3.3	4.2	1.5
Switzerland ...	6.1	6.3	5.3	0.9	2.8	0.7	.2	.2
Italy ...	66.4	61.6	46.4	50.6	41.3	47.8	37.6	55.2
United States of America ...	...	...	...	0.8	1.8	2.2	.9	...
Japan ...	3.2	3.4	5.5	3.8	6.2	16.0	31.6	268.0
Other Countries	8.7	9.7	10.3	4.4	5.7	9.6	2.4	7.8
TOTAL	162.4	146.6	117.0	90.1	92.5	105.7	100.6	359.7

Imports of Tea (Black and Green)

(Value in Thousands of Rupees)

Names of Co	Pre-War Average	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Ceylon ...	7.10	16.24	18.88	15.41	18.09	11.88	5.25	3.49
Straits Settlements	...	2.02	1.32	96	56	53	18	10
Java ...	81	28.28	22.53	7.63	4.50	1.00	1	...
China (including Hongkong)	10.70	23.61	20.21	20.90	19.10	18.60	16.28	8.83
Other Countries	3.68	4.07	96	78	1.32	2.67	3.42	4.70
TOTAL ...	22.29	74.22	63.90	45.68	43.57	34.63	2,518	17.12

Imports of Food, Drink and Tobacco

(Quantity in Thousands of Tons.) (Value in Thousands of Rupees.)

Name of Countries	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42
Fruits and Vegetables, Dried, Salted, etc.—														
France	1.2	0.3	0.2	0.5	0.3	0.2	0.3	0.2	0.3	9.00	9.71	2.74	1.27	2.49
Italy	2.7	3.6	2.8	1.8	1.7	1.6	1.5	1.5	1.5	8.50	27.12	38.26	25.14	6.88
Maskat Territory and Trucial Oman	7.7	7.8	6.1	8.3	7.1	7.9	9.1	7.9	9.1	18.80	17.64	18.85	14.15	16.34
Iraq	36.1	42.8	45.6	41.5	37.4	2.6	47.1	2.6	47.1	...	55.56	60.04	49.72	40.49
Persia	5.4	5.4	5.3	5.6	8.2	3.2	...	3.2	...	18.70	23.67	21.61	18.51	16.83
Other Countries	7.3	10.4	9.4	12.9	10.9	17.4	26.2	17.4	26.2	52.72	8.57	7.77	19.13	24.66
TOTAL	60.4	70.3	69.4	70.3	60.6	37.3	84.2	37.3	84.2	1,07.72	1,42.26	1,49.27	1,17.92	1,07.84

(Quantity in Thousands of Gallons.)

(Value in Lakhs of Rupees)

Ale, Beer and Porter—														
United Kingdom	2,803	3,148	3,017	2,473	2,147	2,184	2,250	45.6	61.3	68.7	63.7	48.8	49.7	45.2
Germany	1,022	1,048	899	555	508	376	365	...	28.1	30.1	25.2	14.8	14.3	10.6
Netherlands	253	337	369	342	282	308	411	...	5.4	6.8	7.5	6.5	6.0	6.5
Japan	231	288	279	260	416	326	488	...	3.9	4.6	4.6	3.8	4.4	1.5
Other Countries	57	43	46	95	65	62	79	18.83	1.6	1.1	1.8	2.2	1.6	1.5
TOTAL	4,370	4,864	4,610	3,725	3,718	3,436	3,593	59.43	1,00.3	1,11.3	1,02.3	76.1	76.0	68.8

(Quantity in Thousands of Gallons)

(Value in Lakhs of Rupees.)

Spirit—														
United Kingdom	753	761	708	463	476	493	503	69	1,36	1.41	1.25	83	81	89.4
Germany	61	60	37	16	11	12	14	...	7	6	5	3	2	3.4
France	416	426	339	157	122	128	134	...	52	53	42	22	21	22.2
Java	786	1,054	1,144	1,069	837	521	411	3	10	12	12	10	8	7.0
United States of America	58	66	57	46	48	45	46	5	17	19	17	14	16	1.4
Other Countries	41	47	33	19	11	14	21	38	1	5	4	3	2	2.6
TOTAL	2,115	2,414	2,318	1,770	1,775	1,213	1,129	1,13	226	286	205	183	1,38	188.6
Wines	292	290	246	165	166	177	178	28	30	29	24	15	16	19.2
TOTAL OF LIQUORS	6,777	7,368	7,171	5,660	5,415	4,856	4,912	2,12.43	350.3	3,70.3	3,31.3	2,26.1	2,25.0	2,26.6

Imports of Food, Drink and Tobacco—(Contd.)
(In Lakhs of Rupees)

Name of Countries	Pre-War Average	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Provisions, etc.—							
United Kingdom ...	1,34	2,35	1,94	1,51	1,40	1,51	161
Netherlands ...	9	1,58	1,27	57	85	24	25
Straits Settlements (incl. Labuan) ...	24	32	32	24	20	20	25
China (incl. Hongkong) ...	4	16	15	10	8	9	11
United States of America...	4	48	40	22	19	14	15
Australia ...	3	9	9	13	18	16	12
Other Countries ...	51	66	71	64	53	38	40
TOTAL ...	2,29	5,64	4,88	3,41	2,93	2,72	289
(In Thousands of Rupees)							
Tobacco —							
Unmanufactured ...	...	39,72	14,40	29,86	62,27	47,27	33,56
Cigars ...	...	1,75	1,60	1,04	85	74	61
Cigarettes :							
United Kingdom ...	...	2,11,76	1,17,95	48,55	26,31	16,62	20,45
China (incl. Hongkong) ...	...	...	2,07	2,70	1,04	34	82
Egypt ...	4,69	61	41	63	32	32	28
United States of America ...	...	40	1,04	55	50	52	64
Other Countries ...	...	40	98	35	78	1,26	33
Total of Cigarettes ...	52,74	2,13,17	1,22,48	52,78	28,95	19,06	22,03
Tobacco for Pipes & Cigarettes	...	13,57	10,89	8,51	3,06	3,00	3,91
Other Sorts ...	13,33	1,51	1,80	2,13	1,80	2,08	1,44
	71,07	2,69,71	1,51,16	94,35	96,91	72,15	61,55

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries, for Pre-War, War and Post-War years and for years 1926-27 to 1934-35.

(In Lakhs of Rupees.)

Name of Country	Pre-War Average (1909-14)			War Average (1914-19)			Post-War Average (1919-24)			1926-27		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom	56,30	91,58	-35,28	69,62	83,56	-13,94	73,04	1,46,43	-73,39	66,28	1,10,54	-44,26
Ceylon	8,24	72	+7,52	9,63	1,66	+7,97	12,82	1,71	+10,61	14,86	1,37	+13,49
Straits Settlements	7,73	3,08	+4,65	6,23	4,37	+1,86	5,20	4,85	+3,35	9,50	5,82	+3,68
Australia	3,14	1,01	+2,13	5,03	1,11	+3,92	4,90	3,19	+1,80	7,80	1,70	+6,10
Hongkong	9,26	98	+8,28	4,48	1,30	+3,18	6,93	1,86	+5,07	3,03	90	+2,13
Canada	1,09	1	+1,08	1,73	4	+1,73	1,88	69	+1,14	2,05	1,69	+36
Aden and Dependencies	1,25	41	+84	2,15	77	+1,38	2,79	80	+1,99	1,63	53	+1,10
Kenya Colony, Zanzibar and Pemba	89	36	+53	1,32	1,15	+17	2,14	1,99	+15	2,00	2,55	-55
Other Countries of the British Empire	4,18	3,30	+77	15,53	2,63	+12,85	12,83	4,02	+8,86	11,81	1,98	+9,83
Total British Empire	92,06	1,01,54	-9,48	1,15,78	96,64	+19,14	1,25,12	1,65,54	-40,42	1,18,96	1,27,03	-8,07
Percentage of Total Trade...												
	41.1	69.6	...	51.6	65.4	...	41.4	65.2	...	38.4	54.9	...
Foreign Countries—												
United States of America	16,90	4,49	+12,41	26,75	10,29	+16,46	36,26	21,64	+14,62	34,41	18,24	+16,17
Japan	16,86	3,64	+13,22	25,30	15,41	+9,79	40,31	17,48	+22,83	41,27	16,47	+24,80
China	8,74	1,58	+7,16	4,56	1,93	+2,63	10,98	3,14	+7,84	11,81	8,31	+3,50
Java and Borneo	2,91	9,35	-6,44	2,55	11,56	+9,01	3,18	17,18	-14,00	2,99	14,42	-11,43
Argentine Republic	2,27	2,61	+2,27	2,61	...	+2,61	4,21	...	+4,21	6,78	...	+6,78
Irance	14,82	2,21	+12,61	10,02	1,85	+8,17	14,87	2,37	+12,50	13,97	8,56	+5,41
Italy	7,08	1,45	+5,63	8,77	1,73	+7,04	9,68	2,47	+7,21	11,57	6,16	+5,41
Spain	1,99	17	+1,82	1,60	86	+1,24	2,80	30	+2,50	2,75	21	+2,54
Russia	1,94	22	+1,72	2,74	10	+2,64	...	12	-12	...	52	-43
Netherlands	3,34	1,27	+2,07	40	86	+46	3,16	2,18	+98	6,24	4,66	+1,58
Belgium	11,97	2,76	+9,21	1,10	88	+72	11,25	4,64	+6,61	8,83	6,80	+2,03
Germany	22,36	9,35	+13,01	2,04	1,04	+1,00	14,86	7,16	+7,70	21,43	16,91	+4,52
Austria	7,77	3,19	+4,58	94	27	+67	73	42	+31	26	1,11	-85
Other Countries	1,311	4,53	+3,22	19,05	6,23	+1,277	25,12	9,41	+1,571	28,53	11,82	+16,71
Total Foreign Countries	1,32,06	44,31	+87,75	1,08,33	51,16	+57,17	1,76,86	88,51	+88,35	1,90,43	1,04,19	+86,29
GRAND TOTAL	2,24,12	1,45,85	+78,27	2,24,11	1,47,80	+76,31	3,01,98	2,54,05	+47,93	3,09,44	2,31,22	+78,22

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries, for Pre-War, War and Post-War years and for years 1926-27 to 1934-35—(contd.)

(In Lakhs of Rupees.)

Name of Country	1927-28			1928-29			1929-30			1930-31		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom	81.76	1,10.21	-37.45	72.37	1,18.24	-40.87	69.50	1,08.10	-38.51	54.23	61.29	-7.06
Ceylon	15.88	1.90	+13.98	14.25	2.10	+12.15	13.22	1.80	+11.42	11.38	1.43	+9.95
Straits Settlements	9.28	3.84	+5.44	7.95	5.11	+2.84	8.02	6.17	+1.85	6.31	3.97	+2.34
Australia	6.62	1.92	+4.70	7.30	8.46	-1.07	5.80	5.54	+0.26	4.49	2.42	+2.07
Hongkong	2.20	1.16	+1.04	2.51	7.78	+1.73	3.04	7.4	+2.80	1.67	8.7	+8.0
Canada	2.19	1.79	+0.40	2.45	2.46	-0.01	2.41	1.91	+0.50	1.72	1.38	+0.39
Aden and Dependencies	1.91	66	+1.25	2.02	62	+1.40	1.43	57	+0.86	1.31	33	+0.98
Kenya Colony, Zanzibar and Pemba	1.90	2.59	-0.69	1.77	2.72	-0.95	1.72	3.44	-1.72	1.16	3.36	-2.20
Other Countries of the British Empire	9.95	1.30	+8.65	9.21	1.09	+8.12	9.38	1.19	+8.19	7.18	1.02	+6.16
Total British Empire	1,31.69	1,36.37	-4.68	1,19.92	1,36.58	-16.66	1,14.61	1,24.46	-9.85	89.45	76.02	+13.43
Percentage of Total Trade	40.1	34.6	...	35.5	53.0	...	36.0	51.7	...	39.6	46.1	...
Foreign Countries—												
United States of America	36.70	20.43	+16.27	39.97	17.92	+22.05	37.03	17.66	+19.37	21.14	15.12	+6.02
Japan	29.19	17.90	+11.29	34.61	17.08	+16.93	32.56	23.59	+8.97	23.87	14.51	+9.36
China	4.58	4.41	-0.17	9.43	4.32	+5.16	13.06	4.10	+8.96	13.27	3.33	+9.94
Java and Borneo	2.40	14.71	-12.31	3.69	16.42	-12.73	4.27	13.67	-9.40	2.63	10.34	-7.71
Argentine Republic	7.49	...	+7.49	8.01	16	+7.55	7.10	8	+7.02	3.63	...	+3.63
France	16.10	4.30	+11.80	17.91	4.78	+13.13	16.94	4.57	+12.37	11.17	2.89	+8.28
Italy	13.05	6.76	+6.29	15.25	7.86	+7.39	11.47	6.73	+4.74	7.93	4.51	+3.42
Spain	3.31	34	-29.7	3.91	27	+23.09	3.61	30	+26.39	2.37	30	+27.63
Russia	49	43	+6	25	85	-60	40	46	-6	53	1.04	+52.96
Netherlands	8.13	4.31	+3.82	8.73	4.77	+3.96	8.90	4.23	+4.67	6.67	3.22	+3.45
Belgium	10.97	7.48	+3.49	13.45	7.20	+6.25	12.21	6.79	+5.42	7.57	4.67	+2.90
Germany	32.46	15.34	+17.12	32.48	15.81	+16.67	26.49	15.79	+10.70	14.26	12.38	+1.88
Austria	25	1.26	+23.74	9	1.40	+7.60	5	1.23	+3.77	...	82	+81
Other Countries	31.85	15.26	+16.59	30.21	17.75	+12.46	29.23	17.14	+12.09	21.15	15.67	+5.48
Total Foreign Countries	1,97.00	1,13.43	+83.57	2,18.04	1,16.72	+1,01.32	2,03.32	1,16.34	+86.98	1,36.19	88.80	+47.39
GRAND TOTAL	3,28.69	2,49.85	+78.84	3,37.96	2,53.30	+84.66	3,17.93	2,40.80	+77.13	2,25.64	1,64.82	+60.82

Table showing the total Exports to each principal country, the Imports from the respective country and the Balance of trade with each such country, distinguishing between countries in the British Empire and foreign countries for Pre-War, War and Post-War years and for years 1926-27 to 1934-35.—(contd.)

(In Lakhs of Rupees)

Name of Country	1931-32			1932-33			1933-34			1934-35		
	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade	Exports	Imports	Balance of trade
British Empire—												
United Kingdom	48,46	44,75	-1,30	37,55	48,77	-11,22	47,20	47,59	-39	47,53	53,75	-6,22
Ceylon	7,65	1,39	+6,26	6,57	1,78	+4,79	5,91	1,29	-462	6,37	1,26	-5,11
Straits Settlements	4,70	2,87	+1,83	3,65	2,79	-86	3,26	2,98	-58	3,25	3,12	+13
Australia	2,95	1,58	+1,37	3,83	1,07	+2,81	2,98	1,92	+1,06	2,71	97	+1,74
Hongkong	1,81	52	-1,29	1,39	1	+1,38	1,08	45	-68	58	89	+19
Canada	1,47	42	+1,05	1,62	31	+1,28	1,88	69	+1,19	1,63	91	+72
Aden and Dependencies	77	53	+24	62	43	+19	65	49	-16	64	42	+22
Kenya Colony, Zanzibar and Pemba	77	3,68	-2,91	61	2,22	-1,59	37	2,48	-1,76	35	288	-2,53
Other Countries of the British Empire	5,14	87	-4,27	4,51	1,95	+2,59	4,81	1,00	+3,45	5,31	1,65	+366
Total British Empire	68,72	56,92	+12,10	60,46	59,86	+1,10	68,14	57,70	+10,44	68,37	65,35	+302
Percentage of Total Trade	44.1	44.8	...	...	...	...	...	...	...	...	...	...
Foreign Countries—												
United States of America	13,87	12,85	-1,02	9,76	11,25	-1,49	14,07	7,15	-6,89	12,87	9,40	+4,47
Japan	13,95	13,34	+61	13,95	20,50	-6,55	12,61	16,86	-3,75	24,14	20,80	+3,34
China	7,79	2,76	+5,03	3,55	2,95	+60	4,45	2,23	-2,22	2,61	2,03	+56
Java and Borneo	1,74	4,86	-3,12	73	4,17	-3,41	48	2,71	-2,23	51	2,21	-170
Argentine Republic	2,89	...	+2,89	3,64	...	+3,64	...	...	...	...	...	...
France	7,48	2,17	+5,31	7,35	2,03	+5,32	7,37	1,51	-5,86	5,26	1,53	+3,73
Italy	5,40	3,61	+2,79	4,65	3,95	+70	5,75	2,91	-2,84	5,73	3,01	+2,72
Spain	1,34	20	+1,14	1,37	25	+1,12	1,41	21	-1,20	1,38	24	+1,14
Russia	53	95	-42	34	36	-2	8	1,61	-1,56	8	1,55	-1,47
Netherlands	4,66	2,04	+2,62	3,21	1,69	+1,52	4,21	1,82	+2,39	2,53	1,29	+1,24
Belgium	4,24	3,02	+1,22	3,93	3,42	+51	4,48	2,67	+1,82	4,23	2,16	+2,07
Germany	10,19	10,21	-2	8,00	10,37	-2,37	9,84	884	+96	6,99	10,12	-3,13
Austria	...	71	-71	...	64	-64	...	52	-52	...	...	-53
Other Countries	13,59	18,00	+59	11,49	10,64	-85	13,42	9,02	+4,40	16,54	+13,01	+3,53
Total Foreign Countries	87,17	69,72	-17,45	71,97	73,22	-1,25	73,17	57,65	-20,52	82,87	+16,19	+15,97
GRAND TOTAL	1,55,89	1,26,34	+29,55	1,32,43	1,32,58	-15	1,46,31	1,15,39	+80,98	1,51,24	132,25	+18,99

N.B.—In this Table the figures of re-exports are not taken into account.

Index Numbers of wholesale Prices of some principal Countries.
(Adapted from *League of Nations' Bulletin*)

COUNTRY	INDIA (CALCUTTA)	UNITED KINGDOM	UNITED STATES OF AMERICA	JAPAN	FRANCE	GERMANY
Basis Year and Date	(July 1914=100)	(1913=100)	(1913=100)	(1913=100)	(1913=100)	(1913=100)
1913 (1914)	100	100	100	100	100	100
1925	159	159	148	202	...	142
1926	148	148	143	179	695	184
1927	148	142	137	170	642	188
1928	145	140	139	171	645	140
1929	141	137	137	166	627	137
1930	116	120	124	137	554	125
1931	97	104	105	116	502	111
1932	91	102	98	122	427	97
1933	87	101	95	136	398	73
1933						
January	88	100	87	140	411	91
February	86	99	86	136	404	91
March	82	98	86	134	390	91
April	84	97	87	133	387	91
May	87	99	90	134	383	92
June	89	102	93	136	403	93
July	91	102	99	138	401	94
August	99	103	100	136	397	94
September	88	103	101	138	397	95
October	88	103	102	136	397	96
November	88	103	102	135	403	96
December	89	103	101	133	407	96

Index Numbers of wholesale Prices of some principal Countries—(Contd.)

COUNTRY	<i>(Adapted from League of Nations' Bulletin)</i>				
	INDIA (CALCUTTA)	UNITED KINGDOM	UNITED STATES OF AMERICA	JAPAN	FRANCE
Year and Date	(July 1914=100)	(1913=100)	(1913=100)	(1913=100)	(1913=100)
1934					
January ...	90	105	103	133	405
February ...	89	105	105	134	400
March ...	88	104	106	134	394
April ...	89	90	105	134	387
May ...	90	90	106	133	381
June ...	90	90	107	132	379
July ...	89	91	107	132	374
August ...	89	92	110	134	371
September ...	89	90	111	135	365
October ...	89	90	110	137	356
November ...	88	89	110	137	344
December ...	...	90	...	137	344
1935					
January ...	...	92	...	...	343
February ...	...	...	...	...	...
March ...	...	...	...	...	...
Germany (1913=100)					
January ...	...	...	...	...	101
February ...	...	...	...	...	...
March ...	...	...	...	...	...

Cost of living Index Numbers for India and Foreign Countries.

NAME OF COUNTRY	INDIA (BOMBAY)		UNITED KINGDOM		UNITED STATES OF AMERICA		FRANCE (PARIS)		GERMANY		JAPAN (TOKIO)	
	Composition Base Period	A-D July, 1914	A-E July, 1914		A-E 1923		A-E July, 1914		A-E October, 1913, January, April and July, 1914		A-C, E July, 1914	
1926	...	155	172		104		505		141		199	
1927	...	154	168		102		514		148		189	
1928	...	147	166		100		519		152		184	
1929	...	149	164		100		556		154		181	
1930	...	137	158		96		581		147		155	
1931	...	110	147		87		569		136		136	
1932	...	109	143		134		526		121		137	
1933	...	102	143		132		520		119		146	
April 1934	...	94	537		—				120		149	
May	"	95	138		—		522		120		149	
June	"	97	141		136				121		148	
July	"	97	142		—				122		147	
August	"	100	143		—		511		122		148	
September	"	100	143		—				122		149	
October	"	101	144		—				122		150	
November	"	99	144		—		504		122		149	
December	"	98	143		—				122		150	
January 1935	142		—				123		151	
February	"		—				
March	"		—				

Composition of the cost of living indices : A. foodstuffs ; B. heating and lighting ; C. clothing ; D. rent ; E. miscellaneous and other expenses.

Tonnage of vessels engaged in the foreign sea-borne trade of British India
(In Thousands of tons)

Nationality	1925-26			1926-27			1927-28			1928-29			1929-30		
	Entered	Cleared		Entered	Cleared		Entered	Cleared		Entered	Cleared		Entered	Cleared	
British ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
British Indian ...	5,792	6,160	...	5,745	6,051	...	5,185	6,050	...	6,605	6,521	...	6,433	6,533	...
Native ...	94	121	...	114	127	...	123	181	...	122	116	...	92	85	...
	66	60	...	57	56	...	61	61	...	51	57	...	50	61	...
Foreign—															
American ...	280	300	...	268	244	...	249	202	...	333	276	...	233	264	...
German ...	358	358	...	394	371	...	529	510	...	601	558	...	673	708	...
Italian ...	444	441	...	461	486	...	464	479	...	472	503	...	590	564	...
Japanese ...	627	756	...	633	725	...	542	570	...	558	552	...	662	639	...
Other nationalities	641	638	...	673	634	...	721	699	...	775	772	...	915	862	...
TOTAL	8,302	8,834	...	8,343	8,091	...	8,877	8,702	...	9,517	9,355	...	9,648	9,786	...
Nationality	1930-31			1931-32			1932-33			1933-34			1934-35		
	Entered	Cleared		Entered	Cleared		Entered	Cleared		Entered	Cleared		Entered	Cleared	
British ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
British Indian ...	5,852	5,051	...	5,593	5,368	...	5,349	5,225	...	4,792	5,044	...	5,387	5,124	...
Native ...	82	95	...	80	82	...	52	62	...	17	33	...	17	43	...
	54	63	...	51	58	...	49	54	...	26	49	...	35	61	...
Foreign—															
American ...	159	157	...	198	184	...	225	235	...	223	258	...	256	262	...
German ...	686	680	...	553	594	...	420	419	...	352	435	...	379	444	...
Italian ...	473	475	...	524	531	...	598	604	...	710	722	...	679	750	...
Japanese ...	771	772	...	599	582	...	563	591	...	536	525	...	654	621	...
Other nationalities	49	412	...	766	746	...	647	615	...	537	516	...	538	922	...
TOTAL	9,006	8,785	...	8,367	8,165	...	7,403	7,805	...	7,360	7,717	...	7,940	8,227	...

Rail-borne Trade at Stations adjacent to land frontier routes of India proper.

(All Quantities in Thousands of Maunds except Treasure)

IMPORTS

Articles	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Grain and Pulse—Wheat	...	346	365	294	276	158	125	364	338	176
Gram and Pulse	...	476	281	311	256	284	197	422	619	162
Rice, husked and unhusked	...	1,953	2,012	2,569	1,907	2,249	2,238	2,447	1,687	1,988
Other Grains and Pulse	...	500	704	1,176	1,258	587	778	729	379	298
Hides and Skins	...	118	174	209	171	134	106	97	125	134
Ghi	...	78	106	93	80	70	57	60	56	61
Tobacco	...	111	133	137	139	119	112	137	93	70
Wool, raw	...	247	292	314	214	103	130	71	174	151
Carpets and Rugs	...	18	29	33	31	22	17	20	14	11
Borax (a)	...	24	20	20	14	15	10	7	9	9
Charas (b)	...	1'5	1'4	2'0	2'3	3'0	2'7	2'3	2'7	3
Jute, raw	...	230	222	390	303	298	300	208	271	349
Oilseeds—Linseed	...	376	580	398	583	497	409	446	429	263
Mustard and Rape	...	321	300	324	282	260	304	356	286	343
Treasure (in 1,000 ounces)										
Gold	1'8	...	36	66	78
Silver	...	905	2,827	5,908	4,943	3,275	4,398	6,847	9,796	9,712

(a) Imported in appreciable quantities from Tibet.
(b) Charas imported mainly from Central Asia and Turkistan.

Rail-borne Trade at Stations adjacent to land frontier routes of India proper.

(All Quantities in Thousands of Maunds except Treasure)

EXPORTS

Articles	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1933-33	1933-34	1934-35
Cotton—Twist and Yarn	83	94	66	62	76	79	72	73	66	58
Piecegoods, foreign	329	379	340	350	288	181	215	200	211	218
" Indian	192	236	231	287	246	257	294	295	287	249
Dyes and dyeing materials, Indigo	...	...	1.2	.9	.9	.7	1.6	1.7	6.7	3.7
" others	...	...	10	28	12	11	27	82	13	10
Grain and pulse—Wheat	998	1,196	892	1,131	1,544	1,417	1,136	835	1,116	920
Rice, husked	628	511	480	530	701	649	670	663	697	717
Others	1,302	1,298	1,433	1,474	1,353	1,164	1,720	1,580	1,404	1,427
Iron and Steel—Unwrought	65	97	57	34	53	58	57	26	80	15
Sections	249	389	403	353	288	343	291	198	307	382
Machinery and Millwork	29	53	56	65	40	43	52	30	19	37
Others, including Hardware and Cutlery	62	52	43	54	30	54	29	31	24	26
Petroleum	191	278	366	331	376	370	392	311	357	392
Salt	1,367	1,640	1,742	1,845	1,706	1,599	1,740	1,706	1,501	1,526
Sugar—Unrefined	164	152	109	102	93	97	72	88	166	108
Refined	725	852	922	989	989	1,075	771	741	888	910
Tea	131	146	104	100	105	98	102	104	174	267
Tobacco	107	108	139	141	181	126	134	112	107	111
Brass and copper (a)	12	12	13	15	11	8	14	29	16	21
Betelnuts (a)	21	29	35	37	37	30	39	52	24	35
Treasure (in 1,000 ounces)—										
Gold	0.5	3.1	0.9	2.0	3.0	25.5	16	2.5	...	117
Silver	1,526	6,222	3,571	3,378	6,185	8,288	15,151	3,976	2,081	897

(a) Sent in appreciable quantities to Nepal.

Total tonnage of vessels employed in the Trade of India
(In thousands of Tons)

Year	Foreign trade	Coasting trade
1924-25	17,656	41,584
1925-26	17,136	43,112
1926-27	17,039	43,481
1927-28	17,579	47,873
1928-29	18,872	49,800
1929-30	19,384	52,181
1930-31	17,791	42,026 (Not accurate as Madras figures are not available)
1931-32	16,552	Not available
1932-33	15,708	51,906
1933-34	15,077	51,625
1934-35	16,167	54,334

TRADE SECTION :

INTERNAL TRADE

The importance of internal trade has generally been overlooked in all countries for a variety of reasons. There was in the first place, the survival of the old mercantalist notion that the wealth of a country is increased only through its foreign trade. The *laissez faire* economics of the nineteenth and twentieth centuries did little to help a more correct appreciation of the importance of internal trade activity, though it gave a corrective to the crudities of mercantalism. The exaggeration of the importance of foreign trade may be seen from the fact that international trade has been regarded widely as identical with world trade and as the sole index of economic prosperity. With the formulation of national economic policies and the growth of protectionism, internal trade is bound to grow both in volume and in importance. In India foreign trade monopolised the attention of economists for two reasons. Firstly, Government was more interested in foreign trade than internal trade and, therefore, provided more statistics in regard to the former. Secondly, the state of the national economy and the country's indebtedness invested the favourable balance of trade and balance of payments with an unique importance. Now that India, in common with the rest of the world, has taken to the policy of protectionism with a view probably to ultimate economic self-sufficiency, the course of internal trade has to be studied with at least as much care and attention as the foreign trade. It is with a view to facilitate such an important study that we have included as from this year statistics of internal trade in the *Indian Finance Year Book*.

It will be easily seen that internal trade falls into two divisions—coasting trade and rail and river-borne traffic. The statistical data furnished in this section of the Year Book require an explanatory note about the basis of compilation.

COASTAL TRADE

The "coastal trade" dealt with in these tables is the trade registered at the British Indian ports, that is to say, the trade of these ports with one another and with Indian ports not British. The figures show generally the trade as declared in the shipping documents duly scrutinised with reports of notices of short arrivals or shipments and passed through the Customs Houses up to the last working day of the month or as near to that date as is practicable. The term "Indian merchandise" comprises all goods that are of the growth, produce or manufacture of India. Indian merchandise is distinguished from Foreign merchandise in the declaration of importers or exporters made in the Bills of Entry or Shipping Bills from which the trade statistics are compiled.

The registration of the coasting trade is done separately (from the foreign sea-borne trade) in the six maritime provinces namely, Bengal, Bihar and Orissa, Bombay, Sind, Madras and Burma. The total imports into, and the total exports from, each province are divided as

follows:—

1. Internal trade, i.e., trade among ports within the same province.

(This includes the trade between a Customs and a non-Customs Provincial port which is registered at a Customs port).

2. External trade, i.e., the trade, between one province on the one side and all other provinces plus non-British ports in India (e.g., Kathiawar ports, French ports, etc.) on the other.

Passengers' baggage, postal transactions and merchandise transhipped at Customs ports are excluded from the accounts of both imports and exports. Imports and exports of gold and silver coin and bullion on private or Government account, are recorded separately and are not included in the figures of merchandise. Merchandise

imported or exported on Government account, however, is outside the scope of these statistics.

Figures of quantities and values are given as declared by importers and exporters in Bills of Entry and Shipping Bills, as subsequently checked by the Customs officials. The weight recorded is the net weight, i.e., it does not include the weight of the covers or packing. According to the provisions of the Indian Sea Customs Act, VIII of 1878 (Section 30), the values of goods imported or exported represent:—

(a) the wholesale cash price, less trade discount for which goods of the like kind and quality are sold or are capable of being sold at the time and place of importation or exportation, as the case may be, without any abatement or deduction whatever, except (in the case of goods imported) of the amount of the duties payable on the importation thereof ; or

(b) where such price is not ascertainable, the cost at which goods of the like kind and quality could be delivered at such place without any abatement or deduction, except as

In the foreign sea-borne trade, import or export duties are not included in the values recorded, but in the values of articles imported or exported as recorded in the coasting trade, customs and excise duties previously paid are included.

RAIL AND RIVER-BORNE TRADE

The statistics of rail and river-borne trade were published upto the year 1922 but were then discontinued on grounds of economy. The information collected prior to 1922 used to be compiled from quarterly returns furnished by the local government and they were published in a consolidated form in an annual publication. The publication of these statistics was resumed from the year 1933-34; and it is now essentially on the same basis ; but the figures are published monthly and purport to be a summary view of the inland trade of India during each month together with running totals from the beginning of the official year.

The statistics relate to the inland trade of India, carried by the railways and the steamer services, and represent the movement of the trade into and from a province taken as a whole, or a chief port or ports, the trade of which is registered separately from that of the trade of the province in

which such port or ports may be situated. The trade dealt with in these accounts would, therefore, fall into one or other of the following categories:—

(i) the trade of a province with other provinces,

(ii) the trade of a chief port with the province in which it is situated, and

(iii) the trade of a chief port with other provinces.

Goods carried from one station to another within the same province or principal trade block are not registered for purposes of these accounts.

Classification of the trade by blocks.—For the purposes of registration of these statistics the country is divided into 18 principal blocks, namely—

(i) 9 blocks representing the British provinces—Assam, Bengal, Bihar and Orissa, the United Provinces of Agra and Oudh, the Punjab (including the North-West Frontier Province and the Delhi Province), Sind and British Baluchistan, the Central Provinces and Berar, Bombay and Madras ;

(ii) 4 representing the principal port towns—Calcutta, Bombay, the Madras seaports, and Karachi ; and

(iii) 5 representing Indian States—Rajputana, Central India, the Nizam's Territory, Mysore, and Kashmir.

Thus, the trade shown against "Bengal" is the trade of the province of Bengal, excluding Calcutta, the trade of which is shown separately ; similarly, the trade credited to "Bombay," to "Sind and British Baluchistan," or to "Madras" exclude the trade of Bombay port, Karachi or the Madras seaports for which separate figures are given. The rail-borne trade is not registered in Burma. The trade of the Indian States which lie within the external boundaries of a British province is included in the trade of that province.

The table gives a concurrent view of the imports into, and exports from, each of the 18 principal trade blocks of the commodities selected for specification in these accounts. As in inland trade the same commodity would figure once as imports into one trade block and again as exports from another, the necessity for separate tables to show the imports and exports has been dispensed with.

The plan on which the system of registration in force is based is that each of the railways should register its own imports (i.e., such traffic as is received at stations on its line within a particular province or

principal trade block from other provinces or blocks) without taking any account of the traffic which is received at such station en route to a destination on a different system, or to a station on the same system situated outside the province or trade block. In order to minimise the number of returns it has been arranged with the major railways that the statistics of import into stations on the minor railways with which they connect should also be registered by them. In the case of river-borne trade, the traffic is registered by the agents of the different steamer services concerned:—

- (a) between Calcutta and
 - (1) Assam,
 - (2) Bengal, excluding Calcutta,
 - (3) Bihar and Orissa,
 - (4) the United Provinces ;
- (b) between Assam and
 - (1) Bihar and Orissa,
 - (2) the United Provinces ;
- (c) between Bengal, excluding Calcutta and
 - (1) Assam,
 - (2) Bihar and Orissa,
 - (3) the United Provinces ; and
- (d) between Bihar and Orissa and the United Provinces.

The trade carried partly by rail and partly by river, when booked through and carried by steamers running on connection

with railways, is to be recorded generally by the railway administration concerned. The Inter-provincial trade borne in country boats is not so large as to justify separate arrangements for its registration, and the registration of such traffic would in any case offer serious administrative difficulties.

As the railway and steamer invoices show only the figures of quantity, the statistics offered in these accounts also relate to quantities only. Owing to the great disparity between prices for the same commodity in different parts of the country counts to work out the corresponding it is impossible for purposes of these accounts of value and experience in the past has shown that on whatever basis values are assigned to the quantity figures recorded, these are in most cases liable to make only a very vague approximation to the truth and should more often than not afford no basis for working out a true and correct balance of trade for the different provinces involved. The quantity figures entered in these accounts represent net weights, i.e., the gross actual weights recorded in the invoices less certain percentages (varying according to the class of goods involved) which have been taken to represent the weight of packing material, etc. The net weights so given are in all cases based on figures of quantity which are recorded in the invoices uniformly in standard maunds of 82 $\frac{2}{7}$ lbs.

Coasting Trade of India
Imports of Indian Merchandise
(Value in Thousands of Rs.)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Coal, Coke and Patent Fuel	2,32,84	2,47,82	2,73,72	3,21,80	2,65,33	3,02,09		...	1,83,16	1,45,70	1,58,84
Drugs and Medicines	24,01	23,58	23,17	19,85	20,06	19,17		...	23,88	23,90	28,37
Dyeing and Tanning substances	48,86	53,81	39,28	40,77	41,04	36,71		...	51,43	21,56	21,04
Fruits and Vegetables	2,07,30	2,02,73	2,12,64	2,51,10	2,57,75	2,43,79		...	1,97,12	1,61,44	1,88,74
Grain, Pulse and Flour—Rice	15,94,96	20,19,04	14,76,46	19,88,85	23,06,46	14,38,80		...	8,59,88	11,94,01	16,12,19
Wheat	29,62	1,70,83	2,13,09	2,13,67	2,49,03	2,03,56		...	2,37,23	1,18,49	1,73,68
Oils, Mineral	9,12,89	10,55,36	10,48,81	11,04,96	9,28,12	11,76,16		...	11,92,78	8,89,65	9,94,24
Salt	89,19	51,26	67,67	69,96	55,75	70,95		...	1,05,14	1,03,89	64,46
Seeds—Essential	50,50	41,74	47,02	55,82	44,87	40,55		...	35,31	38,30	46,28
Non-essential—Castor	6,59	4,18	3,39	24,25	15,95	9,49		...	5,33	5,80	4,96
Groundnut	32,60	16,87	34,12	55,59	36,11	50,91		...	22,55	18,79	57,34
Rape and Mustard	10,92	13,39	17,03	24,16	22,46	17,76		...	13,20	11,86	21,27
Sesamum	55,48	62,75	63,94	63,66	64,49	58,14		...	56,82	80,73	56,96
Copra	1,81,81	2,12,98	1,79,24	1,72,86	1,79,10	2,09,19		...	98,55	88,82	78,74
Spices	2,84,29	2,96,57	3,95,41	2,26,50	3,17,21	3,12,23		...	2,18,57	1,78,06	1,93,29
Sugar	40,49	37,61	34,89	26,97	19,41	23,98		...	16,74	25,61	31,70
Cotton—Raw	12,98,11	14,89,94	11,11,03	9,66,50	9,72,46	7,85,33		...	4,72,64	6,39,30	6,30,84
Manufactures	18,16,83	12,47,78	6,53,14	12,12,41	9,90,02	9,26,93		...	15,56,92	12,80,55	14,22,61
Jute Manufactures	5,17,89	6,09,83	3,83,23	5,21,30	5,73,07	4,82,42		...	2,87,65	2,61,71	3,24,88
Tobacco	1,32,68	1,45,10	1,43,51	1,49,15	1,66,83	2,05,11		...	1,92,02	1,36,72	1,49,72
Teakwood	3,01,10	3,41,17	3,33,87	3,30,03	2,83,31	3,07,79		...	1,64,88	1,53,32	1,81,90
All others	20,95,50	19,67,93	27,50,51	22,78,73	20,69,07	22,67,41		...	15,15,95	12,92,87	15,66,40
Total	99,63,96	1,03,11,27	95,05,17	1,01,13,69	98,78,90	91,83,77	50,49,00	79,77,69	78,82,25	68,15,58	80,03,40

Details not available

Coasting Trade of India
Exports of Indian Merchandise
(Value in Thousands of Rs.)

Articles	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Coal, Coke and Patent fuel	1,68,02	1,79,24	2,02,19	2,41,68	1,93,25	2,18,94			1,72,90	1,25,91	1,54,95
Drugs and Medicines	14,24	15,70	14,92	17,54	19,55	17,85			21,56	21,03	20,52
Dyeing and Tanning substances	45,22	45,69	30,40	29,36	28,96	26,91			20,97	20,88	22,27
Fruits and Vegetables	1,55,22	1,69,44	1,60,11	2,14,43	2,11,63	2,10,18			1,66,79	1,32,23	1,29,15
Grain, Pulse and Flour—Rice	15,18,17	18,73,05	14,78,99	19,05,76	19,99,67	16,74,57			10,55,07	12,37,53	14,44,40
Wheat	1,40,17	1,84,24	2,38,40	2,25,34	2,58,13	2,16,56			2,38,56	1,17,17	1,68,08
Oils, Mineral	7,59,69	7,98,34	8,94,80	10,30,12	9,08,38	9,18,14			14,33,09	14,44,75	15,67,80
Salt	73,29	52,44	64,58	65,04	56,11	57,86			48,99	49,65	49,77
Seeds—Essential	41,94	47,13	46,67	63,85	43,14	41,35			34,95	36,73	37,36
Non-essential—Castor	37	5	3	25	15	9			31	68	41
Groundnut	12,55	7,37	18,00	12,97	7,80	17,87			11,39	8,36	60,44
Rape and Mustard	9,46	11,91	17,68	19,53	19,41	13,37			14,35	11,93	29,83
Sesamum	57,53	63,33	72,56	70,76	64,80	56,60			57,53	27,11	46,73
Copra	70,61	72,19	92,05	64,21	67,48	1,12,98			48,88	46,79	49,13
Spices	2,78,25	2,71,50	3,06,52	2,46,50	2,48,71	2,76,50			1,74,82	1,40,50	1,72,28
Sugar	42,78	37,05	34,52	30,15	20,23	24,27			17,81	26,41	34,11
Cotton—Raw	6,71,47	5,01,21	4,31,08	4,32,78	2,35,32	2,90,85			2,85,60	4,80,36	4,26,51
Manufactures	21,05,81	17,32,47	14,52,37	18,04,76	12,94,61	14,13,37			17,35,31	14,73,03	15,62,35
Jute manufactures	4,63,83	6,02,69	5,03,37	4,39,05	5,76,42	4,32,53			2,53,01	2,34,73	2,94,83
Tobacco	1,31,52	1,47,99	1,59,37	1,63,38	1,78,32	1,99,17			1,46,26	1,02,83	1,49,60
Teak Wood	2,97,60	3,17,66	3,16,83	3,25,30	2,81,95	2,92,90			1,81,29	1,81,02	2,01,42
All others	17,27,53	16,48,27	18,32,37	18,53,17	17,91,86	17,23,44			13,55,04	13,31,09	15,58,29
Total	87,55,57	87,87,21	83,68,01	92,55,93	85,20,94	82,63,50	71,82,00	69,72,92	74,74,98	72,44,72	81,74,23

Details not available
Ditto.

Coasting Trade of India Imports of Foreign Merchandise

(Value in Thousands of Rs.)

		1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1932-33	1933-34	1934-35
Hardware	...	42,25	50,95	52,17	62,01	59,99	62,70	37,83	37,77	38,73
Kerosene	...	15,00	17,36	12,45	18,78	9,88	11,13	23,38	21,01	14,99
Cotton Manufactures		2,65,04	2,32,11	2,54,37	3,01,04	2,74,56	3,81,34	1,78,03	1,44,02	1,30,71
Tobacco	...	5,10	11,70	11,87	11,84	15,02	8,99	20,30	2,48	2,54
All others	...	5,26,44	5,65,05	5,43,52	4,94,33	4,69,33	5,68,64	4,37,12	4,53,24	4,57,38
Total	...	8,53,83	8,77,17	8,74,38	8,83,00	8,29,28	10,32,80	6,96,66	6,63,52	6,44,35

The details for the years 1930-31 and 1931-32 are not available. The totals are respectively Rs. 7,35,00,000 and Rs. 6,93,90,000.

Coasting Trade of India Exports of Foreign Merchandise

(Value in Thousands of Rs.)

Articles		1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1932-33	1933-34	1934-35
Hardware	..	51,40	56,07	59,96	66,64	55,05	56,64	44,87	38,01	34,98
Kerosene	...	30,54	61,31	35,38	31,32	25,71	27,96	29,41	28,53	30,73
Cotton Manufactures		4,48,07	3,77,16	3,74,11	5,26,28	5,17,25	5,66,94	2,35,45	1,68,50	1,60,63
Tobacco	...	13,72	9,42	7,17	9,93	8,52	11,64	8,97	5,00	4,48
All others	...	4,67,09	6,55,73	5,85,79	6,21,42	5,13,61	6,01,54	4,81,43	5,22,74	5,43,43
Total	...	10,10,82	11,59,69	10,62,41	12,55,59	11,20,14	12,64,72	8,00,13	7,62,78	7,74,25

Details for the years 1930-31 and 1931-32 are not available. The totals are Rs. 9,41,00,000 and Rs. 8,41,75,000 respectively.

Coasting Trade of India

Total Trade

(Value in Lakhs of Rs.)

	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Imports of private merchandise—											
Indian ...	90.64	1,03.11	93.05	1,01.14	98.79	92.07	80.49	79.78	73.82	68.15	80.03
Foreign ...	8.54	8.77	8.74	8.83	8.29	10.09	7.35	6.94	6.97	6.63	6.44
Government Stores	87	1.08	1.40	1.34	1.27	1.27	1.17	1.14	(b)	(b)	(b)
Total Merchandise ...	1,09.05	1,12.96	1,05.19	1,11.31	1,08.35	1,03.43	89.01	87.86	80.79	74.78	86.47
Imports of Treasure	1.72	1.37	3.60	1.48	1.69	1.79	1.52	1.38	1.97	70	1.16
Total Imports	1,10.77	1,14.33	1,08.79	1,12.79	1,10.04	1,05.22	90.53	89.24	82.76	75.48	87.63
Exports of private Merchandise—											
Indian ...	87.86	87.87	83.68	92.56	85.21	82.69	71.82	69.73	74.75	72.45	81.75
Foreign ...	10.11	11.60	10.62	12.56	11.20	12.65	9.41	8.42	8.00	7.62	7.74
Govt. Stores ...	1.08	1.39	1.23	1.04	99	1.15	97	73	(b)	(b)	(b)
Total Merchandise ...	99.05	1,00.86	95.53	1,06.16	97.40	96.49	82.20	78.88	82.75	80.07	89.49
Treasure	1.72	2.87	2.27	1.51	1.86	1.54	1.43	2.13	1.18	73	1.10
Total Exports	1,00.77	1,03.73	97.80	1,07.67	99.26	98.03	83.63	81.01	83.93	80.80	90.59
Total Trade	2,11.54	2,18.06	2,06.59	2,20.46	2,09.30	2,03.25	1,74.16	1,70.49(a)	1,66.69	1,56.28	1,78.22

(b) Figures not available.

(a) Includes total trade of 24 lakhs under Government treasure details for which are not available under 'Bengal.'

Trade between India and Burma—Chief Imports from Burma into India

Value in Lakhs of Rupees

Name of Articles	Prior-War Average	War Average	Post-War Average	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Rice in the husk	1.51	1.12	85	1.94	1.30	1.62	1.17	94	55	66	1.00
Rice not in the husk	4.18	7.95	10.93	13.37	11.75	12.10	8.28	8.38	6.37	9.93	11.96
Pulse	17	19	64	27	43	50	27	28	32	28	37
Oils, mineral—											
Kerosene	3.32	3.72	4.10	4.31	4.10	5.29	4.98	5.27	8.42	8.49	9.25
Lubricating	(a)	21.7	21	32	31	35	46	50	70	65	69
Benzine and petrol	(a)	10.4	2.01	5.30	4.60	3.27	3.21	2.84	5.34	5.42	5.74
Candles	12	15	18	14	11	9	8	8	8	7	7
Lac	3	5	12	25	52	37	4	5	2	9	10
Wood and Timber—											
Teak Wood	1.17	1.32	2.39	2.97	2.53	2.65	1.93	1.52	1.63	1.64	1.82
Other Timbers	18	14	28	52	41	41	22	14	16	18	22
Total	10.71	15.33	24.03	29.59	29.69	26.65	20.64	20.00	23.59	27.47	31.22

(Quantity in Thousands)

Rice in the husk	(tons)	214	168	43	183	188	173	175	110	161	222
Rice not in the husk	(")	353	806	706	904	1,060	811	1,086	936	1,028	1,978
Pulse	(")	19	19	16	23	32	23	33	42	41	50
Oils, mineral—											
Kerosene	(gals.)	97,579	110,821	119,290	126,711	110,761	113,429	120,414	126,397	122,588	127,775
Lubricating	(")	(a)	2,037.4	2,169	3,462	3,623	6,515	7,341	7,465	6,525	6,779
Benzine and Petrol	(")	(a)	4,215.4	11,371	41,636	43,061	51,101	43,336	46,650	48,082	53,389
Candles	(lbs.)	4,403	5,455	6,237	5,081	3,746	2,873	2,847	2,752	...	...
Lac	( " )	...	...	(Value only)	...	...	...	...	...	...	...
Wood and Timber—											
Teak Wood	(C. tons)	128	110	164	188	160	125	104	126	132	154
Other Timbers	(")	28	26	25	40	31	21	16	17	23	30

(a) Included with "Oils—Mineral—other kinds" prior to April, 1915.

+ Average of 4 years.

+ Average of 4 years representing "Petrol" only.

Trade between India and Burma—Chief Exports to Burma from India.

(Quantity in Thousands.)

Articles	Pre-War Average	War Average	Post-War Average	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Coal	(tons)	413	370	769	615	703	654	427	341	274	331
Cotton Twist and Yarn	(lbs.)	10,395	12,686	18,944	16,798	10,234	13,498	12,430	12,616	12,616	11,506
Cotton piecegoods— Grey (unbleached)—											
Indian	(yds.)	7,859	8,570	8,649	6,452	7,286	7,905	6,797	14,664	19,684	17,939
Foreign	(")	3,009	3,116	5,496	5,134	1,541	2,356	1,911	1,629	1,843	1,072
White (bleached)											
Indian	(yds.)	3,707	5,895	4,483	2,573	3,024	3,625	4,984	5,595	15,671	30,111
Foreign	(")	2,536	3,741	2,003	703	527	310	524	1,176	819	2,302
Coloured, printed or dyed—											
Indian	(yds.)	12,199	21,312	18,122	15,850	15,895	18,591	11,249	22,913	36,029	40,003
Foreign	(")	2,333	4,434	3,842	1,274	1,094	756	1,357	1,935	2,435	1,040
Jute bags	(No.)	38,948	39,822	40,123	44,408	51,962	48,856	49,030	41,131	57,196	56,931
Betelnuts	(cwt.)	311	279	294	267	251	246	372	225	331	213
Tobacco, unmanufactured	(lbs.)	21,160	16,432	16,637	15,938	14,477	12,614	10,225	14,014	11,115	11,466
Pulse	(tons.)	14	12	15	16	12	12	18	13	6	6
Wheat flour	(tons.)	16	12	18	29	28	26	28	19	20	22

(Value in Lakhs of Rupees.)

Articles	Pre-War Average	War Average	Post-War Average	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Coal	...	65	1,09	1,40	1,00	1,08	96	68	55	45	50
Cotton, Twist and Yarn	...	97	2,35	1,17	79	1,01	70	68	65	52	53
Cotton, piecegoods— Grey (unbleached)—											
Indian	...	22	37	17	19	20	17	34	23	36	30
Foreign	...	9	24	14	12	6	4	6	8	4	2
White (bleached)											
Indian	...	18	25	9	11	12	15	15	14	29	55
Foreign	...	13	11	2	2	1	1	4	3	2	5
Coloured, printed or dyed—											
Indian	...	60	95	62	58	58	43	64	70	90	92
Foreign	...	20	25	6	5	3	4	10	7	7	8
Jute bags	...	1,19	1,88	2,33	2,57	2,40	1,86	1,66	1,11	1,53	1,52
Betelnuts	...	60	56	63	60	59	43	43	34	30	27
Tobacco, unmanufactured	...	33	43	41	44	45	38	29	28	22	22
Pulse	...	20	30	34	23	26	20	18	9	9	18
Wheat flour	...	29	32	75	69	61	44	26	30	28	28
Total	4.58	6.16	9.52	8.16	7.44	7.35	5.91	5.51	4.68	5.07	5.26

Tonnage of vessels engaged in the Coasting Trade of India
(In thousands of Tons)

Provinces	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
	Entered	Entered	Entered	Entered	Entered	Entered	Entered	Entered	Entered	Entered
	Cleared	Cleared	Cleared	Cleared	Cleared	Cleared	Cleared	Cleared	Cleared	Cleared
Madras	7,701	7,758	7,959	8,135	8,519	9,047	9,143	9,414	9,848	9,786
	10,300	(a)	...	...	(a)	10,551	10,894	11,196	11,562	12,023
Bombay	8,962	4,419	3,856	4,464	4,084	4,690	4,246	4,355	4,191	4,612
	4,134	4,568	...	...	(a)	4,471	4,504	4,568	4,876	4,709
Barma	5,637	5,695	5,316	5,296	5,513	5,615	6,216	6,133	6,132	6,426
	6,712	6,757	6,712	6,757	6,712	6,387	6,417	6,387	6,417	6,387
Bengal	2,985	2,245	3,111	2,176	3,639	3,380	3,734	3,117	4,028	3,572
	2,709	(c)	...	...	(c)	3,355	3,480	3,572	3,572	3,572
Sind	1,471	1,288	1,434	1,334	1,552	1,474	1,565	1,620	1,603	1,611
	1,533	1,634	1,389	1,480	1,719	1,547	1,598	1,611	1,598	1,547
TOTAL	21,707	21,405	21,736	21,733	23,637	32,233	24,955	24,815	26,174	23,097
	25,003	25,667	25,667	25,667	25,667	25,667	25,667	25,667	25,667	25,667

(a) Figures not available separately.

(b) Exclusive of figures for Madras.

(c) Figures for Calcutta Port only.

Volume of Inland Trade of India (1933-34 and 1934-35)

River and Rail-borne

Volume in Thousands of Maunds).

Names of Articles	Eleven months ending April to February	Names of Articles	Eleven months ending April to February
Bones	1933-34 1,519	Lac and Shellac	1933-34* 1,264
Cement	10,338	Manganese Ore	12,004
Coal and Coke	312,428	Mica	73
Coffee	223	Oilcakes	8,171
Cotton, raw	18,192	Oils—Kerosene	13,939
Twist and Yarn—(a) Indian	2,219	Vegetable Oils	3,532
(b) Foreign	254	Oilseeds—Castor	2,244
Piecegoods—Indian	7,367	Groundnuts	15,455
Foreign	1,273	Linseed	9,115
Dyes and Tans—Myrobalam	1,552	Rape and Mustard	7,648
Fruits, dried	7,728	Gingili or Til	2,074
Glass	783	Cotton	5,830
Grain and pulse—Rice	39,728	Ghee	691
Wheat	18,096	Salt	26,299
Wheat Flour	4,563	Saltpetre	419
Others	33,332	Sugar—Refined and Unrefined	14,471
Hemp, Indian and other fibres (excluding Jute)	954	Gur, rab, etc.	10,319
Hides, raw	1,890	Tea	8,747
Skins, raw	1,010	Tobacco, raw	2,986
Hides and Skins, tanned and leather	619	Wood and Timber	19,174
Jute, raw	30,715	Wool, raw	612
Gunny Bags and cloth	4,018		
Iron and Steel Bars, Sheets, etc.	27,816		

A BIRD'S EYE VIEW OF PROVINCIAL ECONOMY

The following articles mark the beginnings of an attempt to give a bird's eye view of the economic life of each province in India. Our aim in furnishing an essentially scrappy account is to encourage the habit of taking a comprehensive view of

the economy of each province. As this attempt was begun too late in the progress of the Year Book, we are obliged to postpone a more satisfactory accomplishment of this task to the next issue of the Year-Book.

BENGAL

Bengal is the most highly populated province in India. The population in 1931 was 50.1 million, which is very nearly one-sixth of that of India as a whole. Amongst the major provinces of India, it is the most densely populated also. While the population for 100 acres of sown area for British India is only 119, in Bengal it comes to as much as 213. The growth of population by 38 per cent. in the Province during the last fifty years, however, is the same as that for the rest of India during the same period.

Production of raw materials forms the principal occupation of the people of India. The following figures would be of help in making a comparative study of the occupation of the people in Bengal with that of India.

DISTRIBUTION OF WORKERS IN 1931

(Earners and dependents of both sexes)

	in Bengal In India	
	%	%
1. Exploitation of animals and vegetation ...	68.34	67.11
2. Exploitation of minerals ...	0.29	0.23
3. Industry ...	5.80	9.97
4. Transport ...	1.93	1.53
5. Trade ...	6.43	5.15
6. Public Force ...	0.44	0.55
7. Public Administration ...	0.35	0.64
8. Professions and Liberal Arts ...	1.95	1.50
9. Persons living on their income ...	0.17	0.14
10. Domestic Services ...	5.58	7.08
11. Insufficiently described occupation ...	4.82	5.05
12. Unproductive ...	1.43	1.05

The percentage of people living by the production of raw materials is higher in Bengal than the all-India figure. Transport, trade, professions and liberal arts and

persons living on their income, all claim a higher percentage in Bengal than of India as a whole. The percentages in Bengal are less than those of India, in industry, public force, public administration and domestic service.

Agriculture is the main avocation of the people in Bengal as elsewhere in India. Although the sown area is only 28.7 million acres which is roughly about one-ninth of the net sown area in British India, the land being exceptionally fertile, the agricultural industry of Bengal is second to that of no other province in India. Of the 28.7 million acres, rice is cultivated in as much as 22.1 million acres, other food grains and pulse are grown on 1.1 million acres, jute is grown on 1.6 million acres, oil seeds on 1.1 million acres and the various other crops such as cotton, tea, spices, tobacco, fodder etc., on the remaining 2.8 million acres. The acreage under rice cultivation in Bengal is not only the largest in India but also in the whole world. Even Italy, which comes after India, in regard to acreage under rice cultivation has only 12 million acres which is about half of that of Bengal. The percentage of acreage under rice cultivation of Bengal to that of the total acreage under rice cultivation in India itself, amounts to 27 per cent. Bengal contributed in 1933-34, 8,646,000 tons of rice out of the total Indian production of 30,353,100 tons. The huge production of rice in Bengal is rendered possible by the physical condition of the province such as the abundant supply of water whether by means of annual floods or good rainfall, and also by the direct dependence of the population on it for their very food.

After rice, jute which is the monopoly of India, is the most important crop of Bengal. Unlike rice, which is produced all over Bengal, jute production is mainly concentrated in six districts—Mymensingh, Tippera, Dacca, Rangpur, Faridpur and Patna. The total area under jute in 1931-32 in India was 1,845,216 acres. Of this Bengal itself contributed 1,596,700 acres. The rest was divided between Assam and Bihar and Orissa. Indian production of jute in 1931, 1932, and 1933 was 5.6 million, 7.1 million and 7.93 million bales, respectively. The world depression has hit the Bengal agriculturist hard. The price of jute has fallen by nearly 60 per cent. and rice by 50 per cent. of the pre-depression prices. On the whole, it would be no exaggeration to state that the income of the agriculturist has fallen to between 40 and 50 per cent. of what it was in 1929-30.

The fall in the agricultural prices has told heavily on the agriculturists who form the major portion of the population. The agricultural indebtedness of Bengal was estimated at Rs. 100 crores by the Central Banking Enquiry Committee. On account of the ruinous fall in the price of agricultural produce, the indebtedness must at least be double now. Tenants and Zemindars have been put to great difficulty in ever adequately meeting their rental charges to the Government. The co-operative movement has been doing something in its usual way to help the agriculturists but as would seem from the foregoing brief account, by itself it cannot do anything appreciable to lighten the burden of indebtedness. In February 1934, the Bengal Board of Economic Enquiry was constituted with a view to study the economic problems of the province with special reference to the rural problem and advise the Government of the measures that should be adopted. The first year of its existence has been spent in making a study of the rural conditions of the province. The Board has also drafted a bill to conciliate and adjust the debts of the rural area by arbitration tribunals. Unless the Board studies the rural problem of the provinces intensively and is in continuous existence for a number of years it cannot do anything substantial.

The Co-operative movement in this province, as elsewhere in India, has so long been an agricultural credit movement. Since the agriculturist in the country is simply notorious for being born in debt, wallowing in debt and dying in debt, no wonder attention has been focussed on the

credit aspect of the movement to the detriment of the other aspects of co-operation. Though the six years of world depression has affected the agricultural credit societies in this Province as in other provinces, the co-operative movement has not unduly suffered. Amongst the major provinces in India, Bengal has the largest number of co-operative societies, after Punjab. While the number of societies per 100,000 inhabitants in 1932-33 was 32.9 for all-India, in Punjab and Bengal it amounted to 89.3 and 47.2. The total working capital of the co-operative societies in Bengal in 1932-33 was Rs. 17 crores and 10 lakhs. In regard to this, however, Bengal occupies the third place in India, after Punjab and Madras.

The co-operative credit societies in Bengal, as in other parts of India, cater only to the short-term credit needs of the agriculturists. The supply of long-term credit is beyond the means of these societies as their funds are mainly obtained from fixed deposits of one or two years and current deposits. For effecting improvements in land, purchase of lands, cattle etc., these societies are of very little help to the agriculturists. For such purposes land mortgage banks capable of supplying credit for periods ranging from 5 to 15 or even 20 years are necessary. The co-operative land mortgage banks were first started in India only as recently as 1920. While the land mortgage banking has made some appreciable headway in Madras, its progress in other provinces, especially in Bengal, is negligible. In 1934, however, five land mortgage banks have been organised with a working capital of Rs. 2½ lakhs.

The non-credit co-operative movement in India has been showing some signs of animation only during the last few years. Those which are absolutely peculiar to the Province may be briefly noticed here. The anti-Malarial and Public Health societies are the most important of the non-credit co-operative societies of Bengal. When it is remembered that Malaria is one of the severest curses of Bengal, that out of 86,618 villages in Bengal at least 60,000 are afflicted with the scourge and that it is responsible for the death of 3½ lakhs of people annually, the imperative need and importance of these societies would become immediately apparent. Two of these societies were originally started in 1917 and in 1932-33 they numbered 927 and had a membership of 18,720. Though these societies have as yet not progressed in any magnificent manner, as pointed out by Dr. C. A. Burtly before the Agricultural Commission, they

however, appear to have succeeded "in awakening Bengal villages to the necessity and possibility of improving the health of their villages by their own efforts." The rural societies are all federated into the Central Co-operative Malarial Society situated at Calcutta. These societies certainly deserve to be encouraged and to be increased in larger numbers.

When dealing with the development of co-operative movement in India, the Indian Year Book of 1934 started about the milk societies that "one of the notable contributions of Bengal to the co-operative movement is the immense organisation built up on the co-operative sale and supply of milk." The unit of organisation is the rural society covering a village and having as its members only *bona-fide* milk producers. The Central organisation with which the rural milk societies in the Presidency Division are federated is the Calcutta Milk Societies' Union. This Union handled last year 115 maunds of milk a day on an average and sold Rs. 4½ lakhs worth of milk.

Bengal is backward in regard to industrialisation in India only in comparison with Bombay. This inferiority is undoubtedly due to the greater attachment that the people of the Province have for investments in land. Of late, Bengal has been showing signs of being industrialised at a faster rate than before. Amongst the industries of the Province, the jute industry naturally occupies the pre-eminent position. The history of the industry up to the year 1925-26 has been practically one of continuous progress in respect of number of mills, looms and output. The number of mills has increased from 60 in 1900 to 92 in 1933-34. The looms have risen in the same period from 15,000 to 60,000. The Indian Jute mills consume nearly half the jute goods in India. The demand for jute and its manufactures both in India and abroad has fallen very considerably during the last four years owing to the depression in world trade. In order to keep the equilibrium between the restricted demand for jute all over the world and its huge supply, the Bengal Government have started an intensive propaganda for the voluntary restriction of jute crop. As the jute industry of India, which is practically synonymous with the jute industry of Bengal, is dealt elsewhere in detail, it is unnecessary to dwell on it at greater length here.

The cotton mill industry of Bengal which comes next in order of importance is of more recent growth. There are now 22 cotton

mills in existence having about 5,000 looms in all. The following figures give the production of cotton yarn and piecegoods of all kinds in Bengal.

Year	Production of	
	yarn in lbs.	goods of all description in yards.
1914-15	31,709,000	13,540,000
1919-20	35,229,000	29,165,000
1924-25	25,672,000	26,945,000
1929-30	37,053,000	72,485,000
1933-34	39,912,000	114,649,000

The quantity of piecegoods produced in the Province now is nearly ten times what it was twenty years back. Though the achievement is by no means negligible, there is plenty of room for further development. On the basis of 14.17 yards *per capita* consumption in India, Bengal's demand for piecegoods amount to 730 million yds. The mills in Bengal are able to supply only about one-seventh of this demand, the rest being met from the supply of other provinces and foreign countries. The scope for development in the Province is, therefore, about six-fold.

The other major industries of the Province are coal mining, tea, sugar, paper and iron and steel industry. The coal mines of Bengal contribute one-fourth of the total Indian coal production. In 1931, Bengal's output was 5.8 million tons out of 20.7 millions in India. Rancegunge is the most important coalfield of Bengal. The welfare of this industry is of great importance to this Province. The tea industry of Bengal has absorbed a large amount of capital and is concentrated in Jalpaiguri and Chittagong. This industry engages on an average 200,000 people. As regards the sugar industry though it has made rapid progress elsewhere in India under the aegis of protection, in Bengal its development has been very poor. This is really a matter for surprise when the soil and climate which are very favourable for the cultivation of sugarcane are taken into account. The estimated production in Bengal in 1934-35 is 11,000 tons, whereas the demand is approximately 130,000 tons. When the various natural advantages which Bengal enjoys in regard to this industry by way of favourable soil, cheap labour price, advantage in railway freight as compared with sugar from other provinces are considered, it is apparent that the industry has a great future when it begins to be developed in right earnest. In regard to the paper industry, Bengal stands supreme in India. There are three well-equipped and large paper mills in the Province. The paper production of Bengal in 1931 was 35,000 tons out of the total Indian produc-

tion of 40,000 tons. A big factory for the manufacture of steel castings, scrap, etc., is being constructed at Belur a few miles from Calcutta. The factory will commence to work within a few months from now.

Apart from these large-scale industries, there are the medium size industries and the small-scale industries providing employment for many in the Province as well as occupying an important position in the economic structure of the Province. Some of the medium-sized industries are chemicals, toilettes and soaps, electric fans, electric bulbs, paint, varnish, glass, match, shoe-making, hosiery, flour mills, oil mills, rice mills etc. All these have shown considerable expansion during the last few years. The small-scale or cottage industries are those which have been carried on from time immemorial in the villages. They form a vital part in the economic structure in that they provide alternate sources of employment to millions of under-employed agriculturists.

Handloom weaving is the most important cottage industry and is widely spread throughout the Province. It is true that the world famous muslin weavers of Dacca are all dead and gone and the very cotton with which they wove their fine webs are grown no more and is probably even extinct. And yet, even to-day their descendants are carrying on against great odds, if not the weaving of muslins, at least the manufacture of some fine hand-woven cloth. Though no statistics are available as to the total output and the price realised of these handloom products, both must be very appreciable. It is a matter for congratulation that the Government of India should have realised the importance of the handloom industry for India and undertaken to provide five lakhs of rupees for that purpose annually. Bengal is given a grant of Rs. 35,000 for the current year and Rs. 80,000 from the next year. The brass and bell metal industry of Bengal is the next most important cottage industry of the Province and the value of the products annually produced amounts to several lakhs of rupees. Amongst the other cottage industries, the more important ones are cutlery, pottery, fishing, silk weaving and rearing, mat and coir making, ceramics, toy making, button making etc. The cottage industries of Bengal have recently been given a fillip by the keen interest shown by the Department of Industries in Bengal which has undertaken the resuscitation of several industries and have been also training many *bhadrolok* young men into such industries. The rural industry all over India are also

likely to see better days, because two forces, the Government as well as that of the Indian National Congress, are now definitely getting to be ranged on its side. The Congress has started the All-India Village Industries Association under the guidance of that dynamic personality, Mahatma Gandhi, in order to preserve and foster the cottage industries. The Government of India have also set apart one crore of rupees for distribution to the various provinces for the development of their village industries.

The joint stock enterprise has made more headway in the Province than elsewhere in India. In regard to the total number of joint stock companies, Bengal is responsible for nearly half of that existing in India. Although the total amount of paid-up capital invested in these companies in Bengal is slightly larger than that of Bombay, the Companies in the latter province have a far more substantial basis. In 1930-31, out of 7,328 joint stock companies in India, Bengal had 3,652 and Bombay 959. In the same year out of the total paid-up capital of Rs. 283 crores in India, Bengal contributed Rs. 112 crores and Bombay Rs. 98 crores. The average capital of a company in that year was Rs. 10,19,000 for Bombay while for Bengal it was only Rs. 3,06,000. The number of joint stock companies in Bengal in 1933-34 was 4,680 and their paid-up capital amounted to Rs. 133 crores. In her investments and paid-up capital, Bengal comes third only in regard to joint stock banks, after Bombay and Madras. In regard to insurance railways and tramways and mills and presses Bengal's invested capital is second only to that of Bombay in India. In loan offices, tea and coal, her joint stock enterprises are the most important in India from the point of view of capital invested. The loan offices of Bengal are companies doing banking business mainly in the rural parts of Bengal. These companies were originally started sometime in 1850 about the time the Nidhis of Madras were started. The development of the loan offices and the Nidhis are to a certain extent parallel. The main difference between the two in their method of business is that while the former approximates more to commercial land mortgage banks, the latter more to commercial joint-stock banks. The working capital of these loan offices amounting to about Rs. 9 crores are very largely locked up in landed properties.

Bengal's share of the foreign trade of India range between 25 and 30 per cent. The following figures show the contribution of Bengal towards India's foreign trade.

IMPORTS OF MERCHANDISE
(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Bengal	35.44	32.83	36.15
India	132.59	115.86	132.25

EXPORTS OF MERCHANDISE
(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Bengal	56.65	68.69	62.72
India	135.49	149.73	154.79

THE TOTAL FOREIGN TRADE
(In Crores of Rupees)

	1932-33	1933-34	1934-35
Bengal	... 93	98	100
India	... 345	335	357

In regard to the total exports, Bengal comes second amongst the provinces giving the pride of the first place to Bombay. In regard to total imports, however, the table is reversed.

The chief imports are cotton piecegoods, metals and ores, machinery and millware, sugar, mineral oils, hardware, spices, motor cars, provisions, paper, tobacco, paper-making materials, liquor, chemicals, salt. Similarly, the important exports are jute manufactures, jute raw, tea, shellac, hides and skins raw, metals and ores, oil-seeds and rice. The following figures give the more important imports into and exports from Bengal during the last three years.

IMPORTS INTO BENGAL
(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Cotton piecegoods ...	5.47	3.22	4.71
Metals & Ores ...	3.19	3.36	4.18
Machinery & Millwork	4.01	5.16	4.65
Sugar ...	1.22	31	25
Mineral oils ...	1.78	1.82	1.56

EXPORTS FOR BENGAL
(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Jute Manufactures ...	21.34	21.07	21.20
Jute Raw	9.71	10.87	10.86
Tea ...	12.33	15.84	15.86
Shellac ...	83	1.94	2.64
Hides & Skins raw ...	1.86	2.86	2.00
Seeds ...	60	2.12	1.30
Rice (not in the husk)	1.32	95	92

Bengal imports, normally, one fourth of the piecegoods imported by India, one third of metals and ores and 40 per cent. of the Indian imports of machinery and millwork and sugar. Between 25 and 35 per cent. of the Indian imports of mineral oil is also imported by Bengal. So far as exports are concerned, practically the entire Indian exports of jute manufactures, jute raw and shellac are from Bengal. Excluding Burma, Bengal exports the largest amount of rice amongst the provinces of India. 70 to 80 per cent. of tea and about two-thirds of the hides and skins raw, exported from India are also from Bengal.

BOMBAY

Even Bombay, the premier industrial province of India, has agriculture as its principal industry. 65.9 per cent. of the total earners and working dependents follow agriculture as their main avocation. The following figures show the occupational distribution of people in Bombay and in India in 1931.

	Bombay	India
1. Exploitation of animals and Vegetation ...	65.9	67.11
2. Exploitation of Minerals ...	0.1	0.23
3. Industry ...	11.9	9.97
4. Transport ...	2.3	1.53
5. Trade ...	5.3	1.53
6. Public Finance ...	0.7	5.15
7. Public Administration ...	1.6	0.55
8. Professions and Liberal Arts ...	1.7	1.50
9. Persons living on their income ...	0.3	0.14
10. Domestic Service ...	2.1	7.08
11. Insufficiently described occupation ...	5.9	5.05
12. Unproductive occupation	2.2	1.05

The figures reveal that, when Bombay is spoken of as the industrialised province of India, it has to be taken as being so only very relatively. Those living by exploitation of animals, vegetation and minerals are a little less than in India as a whole. Industry, transport and trade especially have a better following in the Presidency. Wherever there is a good demand for labour from industries the people seldom show any preference for domestic service. Probably this accounts for only 2.1 per cent. of the people in India as a whole. The prosperity of the province in comparison with the rest of India is also shown by the fact that, while the persons living on their income are only 0.14 per cent. in India, in Bombay Presidency alone they number 0.30 per cent., which is double the all-India figure.

In 1931-32 the total area sown in the Presidency was 34 million acres. Bombay's total sown area comes third in rank amongst

the provinces of India after the United Provinces and Madras. Out of the 34 million acres in the Presidency, rice occupies 3 million acres, wheat 2 million acres, jowar (cholam or the great millet) 8 million acres, Bajra (cumbu or the spiked millet) 5 million acres, gram 1 million acres and other food grains 3 million acres. In the total output of jowar and bajra, Bombay takes the lead in India. Of the other chief crops, cotton and fodder crops are the most prominent ones. The former is grown on 4 million acres and the latter on $2\frac{1}{2}$ million acres. In the cultivation of cotton, Bombay stands second in India after C. P. and Berar and in regard to the fodder crops also she ranks second after the Punjab.

Just as jute is the main commercial crop of Bengal, cotton is the principal commercial agricultural produce of Bombay. If the Indian States in the Presidency are also included, the total yield of cotton in Bombay is the largest in India. Nearly a third of the total Indian cotton production is accounted for by the Bombay Presidency (including the Indian States). The total yield of cotton in Bombay and its Indian States in 1931-32, 1932-33 and 1933-34 was 1,322,000, 1,405,000 and 1,365,000 bales respectively. The total Indian production in the same year amounted to 4,088,000, 4,437,000 and 4,633,000 bales respectively.

Though at first sight it may well appear, that the co-operative movement has not made the same progress in the Bombay Presidency as in the two or three other provinces of India, when the total membership of the co-operative societies and the working capital put up by the Province is considered in relation to the population of the province, it would be readily found that Bombay does not lag behind the apparently more co-operative-minded provinces of India. The number of members in the co-operative societies in 1932-33 in the Bombay Presidency formed 2.65 per cent. of the population as against 1.34 per cent. in India. Punjab alone amongst the major provinces of India has a slightly higher percentage in this regard than Bombay. The total working capital of the co-operative organisations in the Province amounted to Rs. 15.81 lakhs in 1932-33. From the point of view of the total capital, Bombay no doubt stands fourth amongst the major provinces of India after Punjab, Madras and Bengal. When the number of annas contributed per head of population is considered, Bombay comes amongst the major provinces as second with 115 annas giving the pride of place to the Punjab.

As elsewhere in India, the co-operative societies in Bombay are mainly agricultural credit societies. The non-credit co-operative movement though a little more active in this Province, is by no means impressive. The co-operative credit societies, again, as in the rest of India, supply only the short-term credit needs of the agriculturists. Barring a very few land mortgage banks there are no institutions co-operative or non-co-operative, to meet the long-term credit requirements of the agriculturists. It is really a matter of surprise that Bombay, which is very advanced generally in all matters should have neglected to start well-equipped land mortgage banks which are absolutely essential to the agricultural population situated as it is to-day.

The cotton textile industry is the main and most flourishing industry of the Bombay Presidency. In the national economy of India the cotton textile industry occupies a position, which is second only to that of agriculture; and even to-day Bombay takes the foremost place in the cotton textile production. This industry is an old and well-established industry and is carried on very largely under Indian management and Indian capital. The two chief centres of the industry in the Presidency are the Bombay Island and Ahmedabad. The following figures give the production of cotton piecegoods for Bombay Island, Ahmedabad and the rest of India separately between 1931-32 and 1933-34.

(In thousands of yards)

Year	Bombay Island	Ahmedabad	Rest of India
1931-32	1,216,886	781,236	991,769
1932-33	1,210,598	859,867	1,099,434
1933-34	923,058	907,984	1,114,060

In 1933-34 the textile output of Bombay Island and Ahmedabad came to 62 per cent. of that of all-India production.

In the production of the cotton twist and yarn also Bombay leads as the figures given below show:—

PRODUCTION OF TWIST AND YARN

(In million lbs.)

	1930-31	1931-32	1932-33
Bombay Island	271	322	313
Ahmedabad	137	152	166
Bombay Presidency	476	549	559
India	867	996	1,016

Amongst the several new industries now gathering momentum in the Bombay Presidency, the most important is the manufacture of matches. There are eight factories established in the neighbourhood of Santa

Cruz, Ghodbunder, Rurla and Thana, In 1932-33 there were 14 cigarette factories doing good business. The assemblage of motor cars has now become a regular and well-established industry in the province. In addition to a number of factories for tanning hides and skins, there are also factories for the manufacture of bakelite materials, electric fans, pins and needles, dry cells, razor blades, soaps, glasses, chemicals, pottery, paint, carbon, paper, etc.

Three things necessary for the industrialisation of any locality are the local supply of raw materials, power, whether coal, oil or electricity, and capital. All these three Bombay has or is getting to have in plenty. As regards capital, Bombay is the home of two principal and rich mercantile communities of India, i.e., the Parsis and the Gujaratis. For its principal industry, namely the cotton textile industry, Bombay not only itself grows cotton but also can easily obtain from its neighbouring provinces, Central Provinces and Berar and Madras. Bombay has, however, no oil or coal. She was till recently dependent for her power requirements on the coal from Bengal and C. P. in India or the South Africa. Bombay during the last two decades has done much to remove this disability. The Hydro-electric works, which are now in operation in the Presidency and which generate electric power some fifty miles away on the Ghats, manage to meet a very considerable part of the power requirements of the Province. As the Hydro-electric schemes of India are dealt elsewhere in great detail it is unnecessary here to dilate on them.

The handloom weaving industry in common with the other major provinces of India, is the most important cottage industry in the Bombay Presidency. Almost every district carries on handloom weaving in spite of all competition from the machine-made fabrics. In Poona, Nasik, Dharwar, Sholapur and Belgaum districts alone, there are reputed to be nearly 2 lakhs of weavers. Saries and Turbans are the more famous products of Bombay handloom weavers. Silk is woven in Ahmedabad, Nasik, Thana and Surat Districts. Dyeing is conducted in the Maratha districts as well as in Gujarat and Kathiawar. Bombay silver-ware and the brass works of Poona and Nasik are well-known throughout India. The other important cottage industries of the Province are lac, ivory and tortoise shell manufactures, carpet weaving, calico-printing, manufacture of gold and silver threads, kinkhabs, lacquer work, pottery, stone works, etc.

Joint stock enterprise is very highly developed in the Presidency. The total number of companies and the paid-up capital in 1931-32 amounted to 1,051 and Rs. 99 crores respectively. The paid-up capital employed in the Bombay companies represent fully one-third of the total paid-up capital in India. Though in the total amount of paid-up capital, Bombay yields the first place to Bengal, from the point of view of financial strength and soundness of its companies, Bombay stands foremost in India. If Burma is excluded, the average capital of Rs. 9,41,000 per Bombay company in 1931-32 represents the highest average amongst the major provinces of India. In the total paid-up capital invested in Banks, insurance companies, transit and transport companies, and mills and presses, Bombay Presidency occupies the first place in India. In regard to the paid-up capital invested in trading and manufacturing companies Bombay occupies the second place after Bengal.

Bombay's share in the foreign trade of India on an average works out to about 40 per cent. The following tables illustrate Bombay's share in the total Indian trade:—

IMPORT OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Bombay	... 51.32	46.19	53.66
India	... 132.59	115.36	132.25

EXPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Bombay	... 25.14	29.57	32.94
India	... 135.49	149.73	151.79

THE TOTAL FOREIGN TRADE

(Crores of Rupees)

	1932-33	1933-34	1934-35
Bombay	... 142	131	142
India	... 345	335	357

In regard to the total imports Bombay stands first in India and Bengal is second, whereas in the case of the exports the position is exactly reversed.

The chief imports into the Bombay Presidency are cotton goods, metals and ores, machinery, sugar, motor cars, oils, raw cotton, cotton twist and yarn, artificial silk, silk manufactures, instruments, dyeing and tanning substances, woollen goods, paper, hardware, glass and glassware and drugs and medicines. The chief exports are raw cotton, oilseeds, cotton manufactures, raw wool, cotton yarn, oil cakes and grains, pulse and flour. The following table gives the more important imports into and exports from Bombay during the last three years:—

IMPORTS INTO BOMBAY

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Cotton piecegoods ...	5,93	4,44	4,94
Cotton raw ...	7,04	8,42	5,01
Machinery and Mill-work ...	3,67	4,22	4,24
Metals and Ores ...	3,44	3,10	3,61
Oils ...	2,58	1,94	2,19
Silkgoods ...	2,56	2,42	2,29
Cotton twist and yarn ...	1,65	87	1,37
Sugar ...	1,16	1,00	81
Motor cars ...	54	83	1,34
Woollen goods ...	79	86	1,37

EXPORTS FROM BOMBAY

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Oil seeds ...	3,07	4,60	3,23
Cotton piecegoods ...	1,02	81	94
Cotton twist and Yarn ...	75	78	59
Wool raw ...	46	83	40

One-third to one-fourth of the total Indian imports of piecegoods and sugar are imported by the Bombay Presidency. One-third of Indian imports of metals and ores, machinery and millwork and cotton twist and yarn are also absorbed by the Presidency. One-third to one-half of oils (mineral) and one-half of the Indian imports of motor cars also find their way into Bombay Presidency. 35 to 40 per cent. of the woollen goods and five-sixths of the silk manufactures imported by India are taken by Bombay. Practically all the Indian imports of raw cotton are destined for the Bombay Presidency.

Of the exports, practically the entire Indian export of cotton twist and yarn, 60 per cent. of raw cotton, one-third of oil seeds, one-half of the piecegoods and about 40 per cent. of the raw wool exported from India are all from the Bombay Presidency.

MADRAS

A scrutiny of occupational statistics of various countries will show that the proportion of people engaged in domestic service to total workers is a rough gauge of the extent of industrialisation. The total workers and working dependents in Madras Presidency according to 1931 census is 28.92 million, out of which 13.35 million or 46.17 per cent. follow exploitation of animals and vegetation. The people engaged in the domestic services amount to 7.79 million or 26.94 per cent., which is the highest percentage amongst the major provinces of India. This high percentage, high even for Madras can be explained largely by the fact that domestic servants also engage in agriculture. The following figures show the distribution of workers and working dependents and the percentage borne by each group of occupation to the total.

	Total Workers and Dependents (millions)	Percentage borne to the total workers and Dependents
Exploitation of Animals and Vegetation ...	13.35	46.17
Industry ...	2.55	8.81
Transport ...	0.38	1.35
Trade ...	1.22	4.25
Public Finance ...	0.06	0.21
Public Administration ...	0.18	0.62
Profession and Liberal Persons Living on their income ...	0.38	1.31
Domestic Service ...	0.03	0.10
Insufficiently described ...	7.79	26.94
Unproductive ...	2.78	9.65
	0.17	0.59

On account of a change in the method of classification, the Madras figures are not exactly comparable with that of the All-India census figures. It may, however, be stated confidently that the proportion of people following domestic service is probably the highest in this province and that trade, industry and transport have all a lesser following in the Madras Presidency than in Bombay or Bengal Presidencies and in all probability lesser than even the All-India census figures. The people following the exploitation of minerals are only about 15,000 and for all practical purposes that group need not be taken into consideration. When the mines and quarries are few, no wonder that there are very few who followed the calling of mining or quarrying. The proportion of people living on their income in the Presidency is also lower than that for the whole of India.

Agriculture is the mainstay of the people in Madras in common with the rest of India. The total area sown in 1931-32 in the Province was 38 million acres which is very nearly a seventh of the total sown area in India. Madras comes second in this regard in India after the United Provinces. Rice, the staple food of the people of the Province, naturally occupies the largest acreage. Rice is cultivated on 12 million acres, Jowar (Cholum or the great millet) 5 million acres, Bajra (Cambu or spiked millet) 3 million acres, Ragi (Marua or millet) 2 million acres and other food crops 7 million acres. Madras stands, amongst the Indian provinces, first in the cultivation of ragi, second in the case of Jowar third in Bajra and

fourth in regard to rice. When the total acreage of 205 million under food grains in India is considered, it would be found that Madras with 29 million acres under food grains stands second, yielding the first place only to the Punjab. In the cultivation of oilseeds, spices and coffee. Madras occupies the premier position in India. Out of 16 million acres under oilseeds in India, as much as $4\frac{1}{2}$ million acres are accounted for by Madras alone. Nearly half the land under condiments and spices in India are to be found in this Presidency. The cotton cultivation is also an important industry of the province, as Madras stands third amongst the provinces of India growing cotton. The acreage under cotton cultivation in 1931-32 in the Presidency was 2 million acres.

The agriculture of the Province owes not a little to the agricultural and the irrigation departments. The former have always been on the alert to find out improved seeds and manures, and the latter in improving the irrigation facilities of the Province. The Madras Presidency has at present some of the finest irrigation works in the world. The Mettur irrigation project which was recently completed is one of the largest of its kind in the world. In 1931-32 the area irrigated in the Presidency was 9.2 million acres and then Madras stood third amongst the provinces of India in regard to the area irrigated.

Although the progress of the co-operative movement in the Madras Presidency is nothing impressive it, has been heartening enough. Madras has the largest number of co-operative society members in India. In 1932-33 the total number of members of primary societies was 898,231, which is a fourth of the total members in India. The working capital of the co-operative organisations in 1932-33 amounted to Rs. 17.30 lakhs and in this respect Madras comes second only to Punjab which has a crore and a half more.

Madras is the most progressive province in regard to the land mortgage banking. No other province has come anywhere near it. The establishment of the Madras Co-operative Central Land Mortgage Board in 1929 to finance the local and the primary mortgage bank by centralising debenture issues marks the starting point of a systematic development of the land mortgage banking in the Province. There are at present about 38 primary land mortgage banks in the Presidency attempting to meet the long term agricultural credit needs of their localities. Though only a start has been made so far,

the beginning has been so good that it augurs well for the future.

The non-credit side of the co-operative movement, in common with the rest of India, Madras has not developed. There is, however, one exception. The 'Triplicane Co-operative Society, which is a consumers' society has been a very successful institution. It is the biggest of its type not only in India but in the whole of East, if Japan is excluded.

The large scale industries of the province are cotton textiles, tanning of hides and skins, jute mills, oil milling, coir making, aluminium utensils making, match and pencil making, soap manufacture, saw milling and sugar. Of these, the cotton textiles and tanning are the more important industries. There are about 28 cotton mills, 4 jute mills and 12 hosiery mills. In the tanning industry Madras leads ahead all the provinces of India.

If the Madras Presidency has not been industrialised to the extent the other two presidencies have been, it is because the Presidency has been suffering from a woeful lack of power resources. There are no coal mines within the Presidency and to get coal either from Bengal or C. P. is almost prohibitively costly. The only resource, that could be developed within the Presidency, is the Hydro-Electric power. More than a mere start has been already made in this direction; and it could be safely predicted that within 20 years the Hydro-Electric power would have been sufficiently developed all over the Presidency, and the greatest handicap to its industrialisation would be removed. The Hydro-Electric projects and undertakings are dealt elsewhere in detail.

The important cottage industries of the Province are cotton and silk handloom weaving. Tanjore, Madura, Kuttalam, Kurnool, Adoni, Arni, Cocanada, Salem and Coimbatore are some of the very important centres of silk and cotton weaving. Carpets are made at Ellore, Ayyampattai, and Masulipatam. Vellore, Ganjam, Madura, Travancore, Vizagapatam, Tanjore and Kumbakonam are famous for their metallic wares, Trichinopoly and Dindigul are noted all over the world for cigar manufacture.

Madras Presidency was the first in India to have an efficient department of Industries. The Department has to its credit the starting of the first up to date aluminium, soap, pencil and paper factories in India. This department has been in general taking a greater interest and actively helping the cottage industries as well as the major indus-

tries by taking part in, as well as organising, exhibitions, conducting researches, training pupils and starting new ventures, and similar departments in the other provinces of India.

As in the case of industries in the Joint Stock enterprise also, Madras Presidency ranks third amongst the provinces of India (excluding Burma). This is easy to understand. Unless industries flourish Joint Stock enterprise cannot thrive, and a parallel can generally be always found in any locality between its industrialisation and growth of joint stock companies. The Presidency stands third in India in respect of the paid-up capital invested in Banks, Mills and Presses, second in regard of tea and other planting companies and fourth in insurance companies, (Burma being excluded). The paid-up capital of all the companies in 1931-32 amounted to Rs. 15 crores out of the total Indian paid-up capital of 286 crores.

The Madras Presidency comes third after Bombay and Bengal in its contribution to the foreign trade of India. The following figures give the imports and exports of merchandise as well the total foreign trade of the Madras Presidency and India.

IMPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Madras Presidency ...	15,87	14,81	17,35
India ...	132,58	115,36	132,25

EXPORTS OF MERCHANDISE

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Madras Presidency ...	23,78	24,81	25,26
India ...	135,49	149,73	154,79

TOTAL FOREIGN TRADE

(Crores of Rupees)

	1932-33	1933-34	1934-35
Madras Presidency ...	45	44	45
India ...	345	335	357

The chief imports into the Madras Presidency are Metals and Ores, Cotton Manufactures, Machinery, Millwork, Oils, sugar, cotton twist and yarn, vehicles, hardware, dyeing and tanning substances, paper and pasteboard, rubber and chemicals. The main exports from the Presidency are oil-seeds, tanned hides and skins, tea, cotton manufactures, coffee, spices, coir raw and manufactured. The following are the more important imports into and exports from the the Presidency during the last three years:—

IMPORTS INTO THE PRESIDENCY

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Iron and ores ...	1,47	1,40	1,57
Cotton piecegoods ...	1,78	1,36	1,35
Machinery and Millwork ...	1,08	1,45	1,56
Oils ...	1,29	1,01	1,09
Cotton Twist and Yarn ...	86	54	64
Sugar ...	62	56	43
Motor Cars ...	19	24	33

EXPORTS FROM THE PRESIDENCY

(Lakhs of Rupees)

	1932-33	1933-34	1934-35
Oilseeds ...	6,13	6,13	5,58
Tea ...	4,61	3,99	4,26
Tanned Skins ...	2,79	2,90	3,02
Tanned Hides ...	1,51	2,29	1,91
Cotton raw ...	70	1,11	1,74
Coffee ...	1,09	1,02	73
Cotton piecegoods ...	1,09	1,02	73
Rice (not in the husk) ...	88	80	83

Of the total Indian imports, about 15 per cent. of metals and ores, 1/10th of cotton piecegoods, 1/9th to 1/10th of machinery and millwork, 1/6th of oils, 1/5th of sugar, 1/4th to 1/5th of cotton twist and yarn and 1/8th of motor cars are imported by the Presidency.

Of the exports from India, nearly 50 per cent. of the oilseeds and cotton 1/4th to 1/5th of tea, and practically all of coffee, tanned hides and tanned skins are contributed by the Presidency.

PUBLIC UTILITIES SECTION :

LIGHT RAILWAYS

D. Y. ANDERSON M. A.

Introductory

W. H. Cole, writing over thirty years ago, said that "the subject of Light Railways may be compared to a country which has no fixed frontiers, or to those Arctic lands whose northern limits are still unmapped. The reader's first and natural demand for a definition of the term light railways must be frankly met with the disappointing reply that a hard and fast definition, at once concise, exact, and comprehensive, is not forthcoming." That is still true today, but for general purposes the reader may think of the terms "light railways" and "narrow gauge railways" as being synonymous, though in fact they are not so : and in the present article it is intended that the title shall refer to the Indian railway systems whose gauge is less than metre.

Indian Railways

Railways in India are constructed on four different gauges, the broad or standard gauge of 5 ft. 6 ins., the metre gauge of 3 ft. 3½ ins., and the two narrow gauges of 2 ft. 6 ins. and 2 ft. When, a hundred years ago, proposals were first made for the construction of railways in India, it was suggested that they should follow the British standard gauge of 4 ft. 8½ ins., as this would simplify the importation of locomotives and rolling stock from Britain. But Mr. Simms, who had come out from England in 1845 as Consulting Engineer, advised Lord Dalhousie to recommend a gauge of 6 ft., which would have greater advantages than were furnished by the British standard, and would also be practically as good as the old 7 ft. track. The 5 ft. 6 ins. gauge represented the eventual compromise, and that gauge was adopted for the principal through routes.

But obviously the broader the gauge the more expensive the construction, and this fact led to the development of the large metre gauge systems serving the more backward agricultural areas. Hence the "break

of gauge" to which some authorities have wrongly attributed many of the difficulties and misfortunes of railway working in India.

Narrow Gauge Lines

There were thus two gauges—the standard lines which tended to radiate from the Provincial capitals and other large cities, and the metre lines serving the more rural areas : and these have always been looked upon as the main line systems. But there was clearly room for more than this : even with numerous broad and metre gauge branch lines, there still remained comparatively small tracts (mainly agricultural or suburban) which were too far from the railway and yet could not provide traffic for a main line branch. And it was for these tracts that the net work of narrow gauge lines developed : lines which are comparatively cheap to build and equip, which extend for comparatively short distances, and which were to be tributaries or feeders to the longer main line systems—little brothers of the rich, in fact. A study of the Indian railway map shows that the narrow gauge lines consist of small systems connecting the main lines with agricultural, suburban, or hill areas, most of them feeding and being fed by the main routes.

Mileage

The Annual Report by the Railway Board on Indian Railways for the year 1933-34 gives the total route mileage of all Indian Railways as 42,953 on March 31, 1934. This total comprises 21,132 miles of broad gauge, 17,645 miles of metre gauge, and 4,177 miles of narrow gauge.

Numerically speaking, there are 165 separate railway systems—42 broad gauge, 62 metre gauge, and 61 narrow gauge : the average route mileage for the respective gauges being 500,300 and 70 miles. But of the 61 narrow gauge systems, four are abnormally long—Satpura has 626 miles,

Baroda 333, Gwalior 295 and Barsi 203 miles. Doubtless there were special reasons for constructing these four systems on the narrow gauge; and if they are omitted, the narrow gauge railways are found to consist of 57 separate systems with an average route mileage of about 50—a figure which helps to show why these lines were built.

Ownership and Management

Of the 61 narrow gauge systems, some are owned by the Government of India, some by Indian States, and some by Commercial Companies. The statement below shows them under these various headings, and gives particulars of gauge, route mileage, year of opening, and working agency.

State-owned.

	Gauge	Mileage	Opened	Agency
Bombay-Baroda & Central India ...	2½	72	1914	B. B. & C. I. R.
Darwa-Pusad ...	2½	43	1931	G. I. P. R.
Eastern Bengal ...	2½	17	1881	E. B. R.
Jorhat Provincial ...	2	32	1883	Macneill & Co.
Kalka-Simla ...	2½	60	1903	N. W. R.
Kangra Valley ...	2½	103	1923	N. W. R.
Kohat-Thal ...	2½	62	1903	N. W. R.
Morappur-Hospur ...	2½	73	1906	S. I. R.
Purulia-Ranchi ...	2½	117	1907	B. N. R.
Raipur-Dhamtara ...	2½	57	1900	B. N. R.
Satpura ...	2½	626	1903	B. N. R.
Tirupattur Krishnagiri ...	2½	25	1905	S. I. R.
Trans-Indus ...	2½	157	1913	N. W. R.
Tumsar-Tirodi ...	2	19	1916	B. N. R.
Zhob Valley ...	2½	174	1921	N. W. R.
<i>Total route mileage</i> ...				1,637
<i>Average route mileage</i> ...				109

II. Indian State-owned.

Bodeli Chhota-Udaipur ...	2½	23	1917	Baroda State
Cutch State ...	2½	72	1905	Cutch State
Dholpur State ...	2½	55	1908	Dholpur State
Gackwar's Baroda State ...	2½	333	1873	Baroda State
Gwalior Light ...	2	205	1899	Gwalior State
Kolar District ...	2½	64	1913	Mysore State
Parlakimedi Light ...	2½	56	1900	B. N. R.
Piplod Devgad Baria ...	2½	10	1929	B. B. & C. I. R.
Rajpipla State ...	2½	58	1897	B. B. & C. I. R.
Tarkera Narasimharajapura ...	2	27	1915	Mysore State
<i>Total route mileage</i> ...				993
<i>Average route mileage</i> ...				99

III. Company-owned.

Arrah-Sasaram ...	2½	65	1911	Martin & Co.	D
Ahmedpur-Katwa ...	2½	32	1917	McLeod & Co.	F
Bankura-Damodar River ...	2½	60	1916	McLeod & Co.	F
Bangalore-Chik Ballapur ...	2½	39	1915	Mysore State	E
Baraset-Basirhat ...	2½	52	1905	Martin & Co.	D
Barsi Light ...	2½	203	1897	Barsi Lt. Ry. Co.	B
Bengal Provincial ...	2½	33	1894	Bengal Prov. Ry. Co.	G
Bukhtiarpur-Bihar ...	2½	33	1903	Martin & Co.	D
Burdwan-Katwa ...	2½	32	1915	McLeod & Co.	F
Champaner-Shivrajpur Pani ...	2½	31	1911	Killick Nixon & Co.,	A
Darjeeling-Himalayan ...	2	51	1880	Gillanders, Arbuthnot & Co.	C
Darjeeling-Himalayan Extensions ...	2	95	1914	Gillanders, Arbuthnot & Co.	A
Dashgara-Jamalpurganj ...	2½	8	1917	Bengal Prov. Ry. Co.	F
Dehri-Rohas ...	2½	26	1911	Octavius Steel & Co.	B
Dhond-Baramati ...	2½	27	1914	Shapoorji Godbole & Co.	A
Ellichpur-Yeotmal ...	2½	118	1913	Killick Nixon & Co.	A
Futwah-Islampur ...	2½	27	1922	Martin & Co.	F
Godhra-Lunavada ...	2½	25	1930	Killick Nixon & Co.	A
Howrah-Amta ...	2	44	1897	Martin & Co.	D
Howrah-Sheakhala ...	2	20	1897	Martin & Co.	D
Jacobabad-Kashmor ...	2½	76	1914	Forbes Forbes Campbell & Co	A
Jagadhri-Light ...	2	3	1911	J. L. Ry. Co.	G
Jessore-Jhenidah ...	2½	37	1913	Jhenida Lt. Ry. Syndicate	G
Kalighat-Falta ...	2½	26	1917	McLeod & Co.	F
Khulna-Bagerhat ...	2½	20	1918	E. B. R.	A
Kulasekarpatnam Light ...	2	27	1915	Parry & Co.	G

	Gauge	Mileage	Opened	Agency	
Larkana-Jacobabad	2½	58	1922	Forbes Forbes Campbell & Co.	A
Matheran Light	2	18	1907	Matheran Steam Tramway Co.	B
Mayurbhanj	2½	71	1905	B. N. Ry.	A
Nadiad-Kapadvanj	2½	28	1918	Killick Nixon & Co.	A
Pachora-Jamner	2½	35	1918	Shapoorji Godbole & Co.	A
Pulgaon-Arvi	2½	22	1917	Killick Nixon & Co.	A
Shahdara-(Delhi) Saharanpur	2½	92	1907	Martin & Co.	B
Tezapore-Balipara Light	2½	20	1894	Kilburn & Co.	D
Tirupati-Tiruchanur Light	2	3	...	Kilburn & Co.	G
Trivellore Light	2	2	1921	T. N. Chetty & Sons	G
<i>Total route mileage</i>				...	1,549
<i>Average route mileage</i>				...	43

A=Branch line company under rebate terms.

B=Company subsidised by Government of India.

C=Company subsidised by Provincial Government.

D=Company subsidised by District Board.

E=Company subsidised by Indian State.

F=Branch line company under guarantee terms.

G=Unassisted Company.

It will be seen that the Company-owned lines are operated under various conditions, regarding which a few words of explanation may be given.

A.—Branch Line Companies under rebate terms.

In 1925 the Railway Department of the Government of India published a Resolution on the subject of the financing of branch lines of railways. This Resolution states that branch and feeder lines are constructed under an agreement whereby the State either guarantees a minimum return on Capital (see F Below), or alternatively "undertakes that the line shall receive out of the earnings of the main line from traffic contributed by the branch, such a sum, known as a rebate, as will make up the total earnings of the branch to a given sum, while the branch in each case shares with the main line any profit exceeding the guaranteed minimum." This scheme was evolved at the end of last century when Government was unable to provide capital; but the Acworth Committee damned it very thoroughly, and in consequence the Government decided to abandon the policy and to reduce the number of Branch Line Companies. "If on any occasion the Government of India should be unable to find funds for construction . . . and should it be considered advisable to tap fresh sources for subscription to railway loans by offering terms different from those given to the ordinary Government loans, that is, by

offering not only a fixed rate of interest, but a share in the profits of a particular Branch Line, there appears to be no particular advantage of using a financial half-way house specially to float a loan on such terms; there appears to be no reason why the Government should not float the loan direct." That is a very fair sample of official journalism, but what it means is that if, in future, any branch lines are to be built, Government will either do its own building, or at least advance the necessary funds.

B.—Companies subsidised by the Government of India.

There are four of these—Barsi, Shadara-Saharanpur, Delhi-Rohas and Matheran; and the conditions for the first two are:—

I. Barsi—receives land only from Government, but no financial aid, all profits going to the Company. Government may determine the contract in 1944 or 1954, and if it does so shall pay to the company in England in sterling a sum such as, when added to any unspent capital, shall amount to the total paid-up capital expended with the authority of the Government.

II. S h a h d a r a-(Delhi) Saharanpur—receives land only from Government. The Local Government (U. P. A. & O.) provide free land sufficient for a single 5'-6" track, with land for all works and conveniences; together with the use of portions of the local roads. The Local Government gives no financial guarantee but takes half of the profits in excess of 4% on the paid-up capital. The Local Government may determine the agreement at certain intervals (the next being 1941) and can then buy the line, paying to the Company the value calculated at 25 year's purchase of the average annual profits for the preceding 3 years, subject to a minimum of the capital expended and a maximum of 25% in excess thereof.

C.—Companies subsidised by the Local Government.

Darjeeling-Himalayan—Government land and the use of the cart road are given free: other land if necessary is acquired by Government and transferred to the Company at cost price. Government pay enough to make the gross receipts up to Rs. 2 lakhs annually. Half the net profits in excess of 5% are applied in repayment to the Government of the amount spent on maintaining the cart road during the year, or in making good the deficiency in gross receipts. Government may take over the line at 10 year intervals (next date 1939) paying its value as a dividend-earning investment *plus* a bonus of 20%.

D.—Companies subsidised by District Boards.

A typical example of these is the Howrah-Amta. The District Board grant free use of the side of the Board's road, and agree to pay such sum as may be required to make the net profits equivalent to a dividend of 4%, subject to a maximum payment of Rs. 1,100 per annum per mile, or Rs. 28,000 per annum. Profits in excess of 4% are shared equally between the District Board and the Company. The District Board may purchase the line at stated intervals (next date 1937), the price being the value of the line as a dividend-earning investment, together with a bonus of 20%.

E.—Company guaranteed by an Indian State.

The Bangalore-Chik Ballapur was floated by an Indian Company under a guarantee, from the Mysore Durbar, of 4% per annum on the subscribed capital. The Company failed to raise the entire capital, and the Mysore Durbar then subscribed the balance as joint owners, the Company retaining the option of repaying the amount later on.

F.—Branch Line Companies under guarantee terms.

The Burdwan-Katwa is typical of this group. Government provides land free. When the net receipts are not sufficient to pay interest at $3\frac{1}{2}\%$ on the capital, the Government makes the amount up to this figure; if the net receipts are not over 5% they go to the Company, and any excess over 5% is divided equally between the Government and the Company. In 1946, or at 10-year intervals thereafter, Government can purchase the line, paying 25 times the average net earnings of the preceding 3 years.

Financial Results

A comparison of the financial results of these railways, separating them according to ownership, is not without interest. The figures are the average of the three years 1930-33, and are taken from the History of Indian Railways, a very valuable publication of the Railway Board, which has unfortunately been discontinued temporarily for reasons of economy. Later figures are consequently not easily obtainable. By "Return" is meant the percentage of net earnings to total capital outlay (which, it must be remembered, is not necessarily the same thing as total *issued* capital): and by "Ratio" is meant the percentage of working expenses to gross earnings.

Owned by	Number of Lines	Return	Ratio
Govt. of India ...	13	2.3%	175.61%
Indian States ...	10	3.0%	65.03%
Companies ...	35	4.0%	76.60%

If the Kohat, Zhob and Trans-Indus (Military) lines are excluded, as being non-commercial lines, the Government owned lines give a return of 1.1% and have a working ratio of 123.05%.

It is possibly unsafe to base any arguments on these figures, as there may be local conditions other than those of ownership which affect the results: but the figures at least do tend to show that State ownership is not the panacea that some people claim it to be. On Government owned lines the working expenses run from 88% to 392% of the gross earnings, and the return varied from 0.1% on Kalka Simla to 8.3% on Kohat-Thal. The Government owned lines spend $1\frac{3}{4}$ times as much as they earn.

Lines owned by Indian States spend two thirds of what they earn: the return varies from 1% to 5 $\frac{3}{4}\%$, and the ratio from 41% to 85%.

Company owned lines spend three quarters of their earnings: the return varies from 0.8% to 8.6%, and the ratio from 41% to 150%.

It is interesting to compare the Government owned Kalka Simla (ratio 99%, return 0.1%) with the Company owned Darjeeling Himalayan (ratio 70% return 8.3%).

During recent years, owing probably to the slump, the demand for the nationalisation of the railways has died down, but it will doubtless revive when trade improves, and it is as well that the above figures should be borne in mind. How is it that this demand for nationalisation has been aimed only at the railways, and not at the

road services or at the shipping companies? Can the explanation be that the railways provide more posts for needy relatives?

Investment.

Of recent years some of the light railway companies have fallen out of favour for investment purposes, though the yields at present prices are not unattractive, as the following table shows.

Company	Dividend	Par	Price	Yield
Ahmedpur Katwa ...	3½	100	91	3.8
Ahmedabad Prantelj ..	—	500	875	5.6
Amritsar Patti ...	6½	100	120	5.2
Arrah Sasaram ..	4	100	48	8.3
Bankura Damodar ..	3 7/16	100	89½	3.9
Baraset Basirhat ..	Nil	100	46½	...
Bhaktiarpur Bihar ..	4	100	62	6.4
Burdwan Cutwa ..	3½	100	91	3.8
Central Provinces ..	4	100	87½	4.6
Chaparmukh Silghat ..	3½	100	89*	3.9
Darjeeling Himalyan ..	2	100	61	3.1
Dehri Rohtas ..	5	10	12½*	4.0
Dhond Bharmati ..	5	100	99½	5.0
Futwa Islampur ..	3½	100	89½*	3.9
Guzerat ..	3½	100	73	4.8
Hardwar Dehra ..	6	100	119	5.0
Hosiarpur Doal) ..	4½	100	92½	4.9
Howrah Amta ..	6	100	102*	5.9
Howrah Sheakala ..	4	100	58*	6.9
Kalighat Falta ..	3½	100	89½	3.9
Katakhal Lala Bazaar ..	4	100	92	4.3
Larkana Jacobabad ..	4	100	106	3.8
Mandra Bhon ..	4½	100	93	4.6
Mayurbhanj ..	2½	100	57	4.4
Mymensingh Bhairab Bazaar ..	3½	100	91	3.8
Pachora Jamner ..	4½	100	94	4.8
Sara Serajgunj ..	4½	100	99½	4.5
Sahadara Saharanpur ..	6	100	129*	4.6
Sialkot Narawal ..	5	100	107	4.7
Sind ..	4	29	26½	4.4
Tapti Valley ..	8½	500	761½	5.6
Upper Sind ..	4½	100	104½	4.3

The average yield is 4.7%, which is by no means means low under present day conditions, particularly as some of the light railway traffics have shown an improvement during the past year.

Road and Rail.

But it is necessary to sound a note of warning. It is true that there have been signs of a lifting of the depression and that there has been some improvement in railway traffics: but the railways, and especially the light railways, are not yet by any means out of the wood. Bad trade is a temporary evil, but there are other difficulties to be faced, the worst of these being the competition from road services. These road services enjoy many advantages which need not be enumerated here, and until recently the Indian Railways were powerless to fight against them. The railways are governed by the Indian Railways Act, which was evolved in 1890, when motor cars were

very much in their infancy, and no one foresaw that they would develop into the present day menace. In that respect the Act was entirely out of date, and it was not until 1933 that any alteration in its provisions was made. Section 51 of the Act authorised railways "to provide and maintain any means of transport which may be required for the reasonable convenience of passengers, animals or goods carried or to be carried on the railway." The effect of this was that railways, with the sanction of the Railway Board, could operate road services as feeders to the rail services, but could not operate road services alongside their rail services. That is to say, if a railway had a track running between two points A and B, it was forbidden to run a parallel road service between A and B, because the road traffic was not "carried or to be carried" by rail. Many of the narrow gauge railways in India have their alignment along the sides of District Board roads, and there is therefore an opening for direct competition between road and rail, mile by mile, over the entire route. The local authorities could issue licenses for road services to be operated on such roads to any applicant *except the railway company*, and the railway had no means of meeting the competition. Motor buses are speedier than narrow gauge trains, they can pick up and put down traffic at any point on the route, they are to a great extent free from the local taxation which can be a heavy burden on railways, and they are subject to much less strict supervision and control as regards standard of maintenance, treatment of staff, legal speed limit, and legal carrying capacity.

This state of affairs was obviously unjust, and to remedy matters a Bill to amend the Railway Act was introduced in the Legislative Assembly in 1933. The express purpose of the Bill was to alter Section 51 of the Act in such a way that the railways would be enabled to operate road services on exactly the same footing as other road service owners; the resultant Act, which was born after considerable pre-natal pains in the Assembly and in Committee, is not a very stout child. If an individual wishes to run a road service, he goes to the local authorities, gets his license, and runs his buses. If a railway company wishes to run a road service, it has to apply for sanction to the Railway Board, the Railway Board has to consult the Provincial Government, the Provincial Government has to consult the local authorities, who have to consult the village chowkidar, who has to consult the

elephant in the zoo, who has to consult the man in the moon: and after about two years somebody may say yes or no: and if that can be called "an equal footing" then the Ochterlony Monument is a mouse's whisker.

In the summer of 1932 the Managing Agents of the various light railways in India addressed a letter to the Government of India setting forth their grievances. The Government replied that they were about to send out two doves—Messrs. Kirkness and Mitchell of the Railway Board—who would survey the floods and endeavour to find any peaks of land which might be appearing above the submerging waters. In due course, these gentlemen submitted an elaborate and exceedingly valuable report, containing a number of admirable suggestions. This report, on the basis of which the whole problem could have been settled in a few weeks, is now presumably collecting dust and feeding the white ants on the shelves of the Railway Board office.

Early in 1933 a Road-Rail Conference was convened in Simla. Representatives of the Central and Provincial Governments, of the railways, the road users, the tinkers, tailors, soldiers, sailors, and everybody else, met and talked, *and* talked, and passed a number of highly interesting resolutions. Meanwhile the road services continue to steal traffic from the railways (in many cases at the expense of Government and the District Boards) and no real effort of any kind has been made to ensure that the road services are sufficiently supervised and operated, or to arrange that the two competing forms of transport may continue to exist on a sound financial basis and without cutting each other's throats.

It is a curious fact that there seems to be a very complete measure of agreement between the Railways and the more responsible road users regarding the necessity for more stringent control of road services. Both are agreed that the present haphazard services are of little use to anybody—even to the bus owner, who finds himself in the position of having to charge fares on a scale which leaves him no profit. With efficient control the road services would be improved, road fares could be enhanced, the bus owner would have a reasonable chance of making a profit, and the Railways would lose less traffic. Some Provincial Governments are at last introducing legislation to improve the condition of and supervision over road services: and the result of this will be watched with great interest, if without excessive optimism. The next necessity is

a central Ministry of Transport which will arrange for the various systems to substitute co-operation for competition.

Conclusion.

It has been suggested that light railways have had their day and must now make way for more up-to-date forms of transport. This idea has received a measure of support, and it is therefore necessary to examine it carefully. What exactly does it imply? First of all, it means the liquidation of a considerable number of limited liability companies and the disposal of their assets. But these assets would not easily find a market and would have to be sold to some extent as scrap, at a very low price. Thousands of small shareholders would consequently be very hard hit, as the money realised from the sale of the assets would only enable the companies to pay a fraction of the value of the shares. That, it may be argued, is the look out of the shareholders. But the second point concerns the people generally: if the light railways close down who will carry the traffic?

The Baraset Basirhat Light Railway has suffered during recent years from intensive road competition and has consequently lost a great deal of traffic. In the year 1929-30 this railway carried 1,606,356 passengers: in 1932-33 it carried 1,251,984 passengers: the difference being lost largely to the buses. If the railway closed down the roads would have to be prepared for 1,606,356 passengers a year—4,400 a day—over 300 trips daily for a 14-seater bus. Or in 1932-33 they would have had to carry 1,251,984 passengers more than they did—3,430 daily—245 bus-trips daily in addition to those which actually ran.

In addition to that there is the goods traffic. In 1928-29 the railway carried 45,174 tons of goods:—124 tons a day—82 lorry loads at $1\frac{1}{2}$ tons. In 1932-33 the railway carried 26,132 tons: without the railway the road would have had to carry this in addition to what it did carry: 26,132 tons is 48 $1\frac{1}{4}$ ton lorry loads.

And these are *average* figures: on some days the road would have had to carry much more, and the task would have been impossible.

The light railways, therefore, must remain, and must be protected against uncontrolled road competition. Provincial legislation will be of great assistance, *if it is efficiently administered*: but it is obvious that the real necessity is a Central Ministry of Transport which will control and co-ordinate rail, road, water, and air.

PUBLIC UTILITY SECTION :

HYDRO-ELECTRIC DEVELOPMENT IN INDIA

The importance of Power development for any country eager for economic progress cannot be over-emphasised. And India, with her backwardness in industries, and the eagerness of the people for removing this defect fulfils all the conditions for a well laid programme of power-development. It is well known that industrialization in other countries was possible and admitted of rapid development only after the means of developing and controlling power in large scale were perfected and those countries, which had an abundant supply of sources of power (of which coal has been the most important), were able to develop their industries in a much greater degree than less fortunate countries.

In the beginning of the industrial revolution, the science of Electrical Engineering was not well-developed; and hence the earlier forms of industrial enterprise depended for their working on the direct utilization of mechanical energy. Although the bulk of industrial enterprises is still worked in the old-fashioned way, due, in the main, to previous commitments in associated machinery, the day is not far off when these cumbersome methods will give place to the more facile and cheaper methods of electric working. Electric power is fascinating both to the layman and the technician, the cleanliness and the comparative quietness of the working apparatus appealing to the former, while the technician is attracted by the ease of long distance transmission and distribution in howsoever small a quantity and the readiness with which such electrical energy is convertible into various forms, such as light, heat, mechanical energy, electro-magnetic waves etc. It is these outstanding merits of this form of energy whose technique has been highly developed, that have made all new industrial enterprises use this form of Power; and it is singularly fortunate that the industrial development of India has to take place in what may be called the era of electricity.

It will be seen from the foregoing analysis how vital to India is the development of

Electric Power. As in all other countries, the first electrical undertaking were confined to the more important cities, aiming at the provision of the amenities of civilized life to the citizens more than at the quickening of the pace of industrial development. Such undertakings took the form of thermo-electric stations. Though sponsored with the idea of catering to the comforts of the more advantageously placed of the citizens, it is remarkable that such electrical enterprises have been instrumental in stimulating industrial activities in such areas, with the result that all these undertakings have thrived very much beyond the expectations of their first promoters and have been the only ones to weather the storm of economic depression very successfully.

However useful such isolated activities may have been in the past, they are no longer adequate to the needs of the nation, mainly because the prime source of power, coal, has to be imported in various centres at a cost which will not admit of industries being developed economically enough to stand outside competition. Being so poorly endowed with either coal or oil, attention has, no doubt, to be turned to other sources of power which India has in plenty and, naturally, the water power or the white power, as it is called, suggests itself as the only solution to the problem. Whether or not in a country richly endowed with both these sources of power, it is more advantageous to develop the water power, is beyond the scope of this article, although a passing reference to this question may be made, namely that in advanced countries, the trend of opinion is towards the development of water power as being a perennial source. India, however, has no choice in the matter. Nature has bestowed her with a relief which admirably lends itself to the promotion of Hydro-electric Schemes.

The development of Hydro-electric Power in India on any comprehensive scale requires a vast capital and the objective being the

creation of a favourable atmosphere for the development of industries, the market is of a nebulous character rendering an immediate return a matter of mere speculation. Such conditions are not sufficiently safe to attract joint stock enterprise. Although past experience has shown that the expectations with which a few of these schemes were launched were more than fulfilled, still, until recently, progress has been tardy. Under such circumstances, it is only left to the Government to make headway with such schemes, and it is a matter for congratulation that the Governments of the various provinces have recognised all these factors and are proceeding apace with these schemes.

HYDRO-ELECTRIC DEVELOPMENTS IN MYSORE

The credit of pioneering in the Hydro-electric development of India goes to the State of Mysore which has harnessed the Cauvery falls for the purpose of generating electric energy for domestic and industrial consumption in the State. As far back as 1894, the idea of harnessing the Cauvery falls was first mooted, and the main load that the State had in contemplation was the Kolar Gold Mines works. As the distance of Kolar Gold Fields was over 90 miles from the site of the proposed Power Station and as there was not sufficient experience in long distance transmission, doubts were entertained as to whether the scheme would be successful. Further investigations followed and proved the feasibility of the scheme and under the bold and wise guidance of the famous Dewan Sir K. Seshadri Iyer, the Scheme was brought to fruition, despite numerous obstacles. The Scheme in general is the conversion into electric energy of all the available Power of the falls occurring in the River Cauvery which at this point forms the boundary between Madras and the Mysore State. The river has a sheer drop of about 300 ft. at this point. The preliminary work was to acquire the right to utilization of all the water-Power from the Madras Government by agreement to pay a royalty. The head works consist of a masonry weir at a short distance above the famous Sivasamudram bridge, which was washed by the floods of 1923 and which has recently been rebuilt. Two channels conduct the water to a forebay about 2 miles below the falls. The channels themselves are about 3 miles in length and supply 1,200 cusecs. The flow of water in the channel can be controlled from where it takes off from the river by means of sluices. From

the forebay through screens and regulating apparatus the water is led through three feet diameter Penstocks to the generating Station below at a vertical depth of about 350 feet. The generating sets consist of pelton wheels supplied by Escher Wyss & Co., of Zurich, coupled to Alternators manufactured by the General Electric Company. The generation voltage is 2000 with part of the energy at 25 cycles and part at 60 cycles. The energy is stepped up to high tension by means of transformers and transmitted to Kolar Gold Fields, Mysore and Bangalore. This system supplied current to Mettur during the construction of the Dam. The whole of the energy available is not developed, but provision has been made to increase the units as the demand increases. The absolute success of this scheme would not have been assured, but for the assistance derived from the Krishnaraja Sagara Storage reservoir, formed by damming the Cauvery higher up. The normal dry weather flow of the Cauvery is not more than 100 cusecs, which is very inadequate for a Scheme of this magnitude. The reservoir enables the enormous flood waters of the rainy season, which normally would go to waste, to be impounded and regulated according to the needs of the situation. The reservoir was constructed primarily for irrigation purposes and has incidentally conferred this boon to the Hydro-electric project. It is made up by means of a dam, which is 8,600' long and 124' high above the river bed. The catchment area is 4,100 sq. miles and the Storage Capacity is 44,827 million cubic feet. Penstock pipes have been provided in the dam to enable further generation of electric Power should demand arise.

To meet the requirements of the Northern Parts of Mysore, which are too distant from Sivasamudram for economic transmission of Power, there is a proposal to harness the grand falls at Gersoppa which are situated in the borderland of Mysore State and Bombay Presidency. Negotiations are going on between the Mysore State and the Government of Bombay to settle satisfactorily questions of right for the use of the water, and ere long this project will also see the light of day.

The effect of Hydro-electric development is visible in every part of Mysore. The all round development of industries, the availability of the amenities of civilized life in the most obscure parts of the State at a cheap rate are a few of the advantages. More than these, there is a growing demand for pumping loads for the purposes of irrigation of isolated farms which will bring

under cultivation a very large acreage of waste lands. The State itself has initiated a number of industrial enterprises yielding an annual revenue of Rs. 30 lacs.

HYDRO-ELECTRIC DEVELOPMENTS IN BOMBAY

Next to the Mysore Project in the order of chronology, but far more spectacular from every point of view, are the Hydro-electric projects of the Tatas in Bombay Presidency. The whole Scheme embraces three companies, namely the Tata Hydro-electric, The Andhra Valley and Tata Power Company. The three systems are interlinked and supply power to most of the cotton mills of Bombay. Part of the Power required by the G. I. P. and the B. B. C. I. Railways for their electrification and part of the Power required by the Bombay Electric Supply Corporation, which has the monopoly of retail supply to the city, are also drawn from this source. The total output of the Scheme is so great that even after meeting these demands, the Plants are worked only to their partial capacity. The Kalyan Power House of the G. I. P. Railway electrification, is a needless outlay, as without it, the Railway could have obtained the necessary Power from these Hydro-electric Schemes at a lower cost than that at which it is able to generate at Kalyan.

These Projects, the biggest in India, have no rival in the boldness of their conception, in the magnitude of their Engineering works, in the capacity of their plant and in the tremendous success that have attended them. Compared to the rest of the projects, they strike one by their gigantic stature. A brief description of one of the Projects will serve to bring out the magnitude of the system. The Tata Hydro-electric project utilizes the waters of three lakes, all artificially formed by the construction of dams across the water courses surrounded on three sides by rapidly rising ground. The first lake, called the Shirola lake, has a water spread of 9 square miles and is connected by means of a long tunnel driven through rock to the next but smaller lake, the Vulwan. These two lakes are storage reservoirs and supply the necessary water during the dry season. The third lake, called the Lonavala lake, is the monsoon lake and supplies the necessary water only during the monsoon. A masonry-lined channel conducts the water from the Vulwan lake to the Forebay at Kandala and is joined during its course by a similar channel from the Lonavala lake. The main channel from the Vulwan is closed by means of a temporary dam before its confluence with the other

channel during the monsoon and *vice versa* during the other seasons. From the forebay at Kandala water is led through sluice valves and screens by means of one 7' dia. pipe to the valve house below, from where the main Pipe branches off into 5 smaller ones of 3' dia. each. These five pipes take the water to the generating sets at Khopoli. The vertical height between the Forebay at Kandala and the Generating Station at Khopoli is 1728 ft. which was the record for India till the Pykara Scheme was executed. It should be noted that, unlike similar schemes, there has not been any waterfall at this place. The collection of the waters of the various rivulets taking their course in the various valleys and directing them to the forebay has been the most notable engineering achievement.

From the economical point of view, these schemes have been a tremendous success. The Capital cost of the three Schemes is Rs. 16½ crores and the first two of the Schemes, Tata Hydro and the Andhra Valley Schemes have been paying a dividend of 7 per cent. and the third Company is just beginning to pay dividend. This is a remarkable achievement, especially when it is realised that the plants are being worked only to their partial capacity and with the growing demand on the system these will be one of the most paying concerns.

HYDRO-ELECTRIC DEVELOPMENTS IN MADRAS

While its sister province of Bombay and its immediate neighbour the Mysore State have been going ahead with the development of their water Power, Madras until recently has been lagging behind, although her natural resources have in many respects been even greater for the prosecution of such schemes. But the Post-war fever for industrialisation of the country caused by various factors has brought about a condition very favourable to the development of such Schemes. This has been recognised by the Government and a systematic survey of the various sources of Power was made and a comprehensive scheme for the eventual electrification of the whole of the Province has been evolved under the great lead given by Sir C. P. Ramaswami Iyer. An electricity department was formed with Major Howard as Chief Engineer, who recently has worked at the details of the whole Scheme. The Province of Madras has been divided into Nine Power areas *viz.*, Mettur, Madras, Ananthapur, Periyar, Papanasam, Pykara, Vizagapatam, Bezwada and Chettipet. Certain of these power areas will operate

together and the Scheme contemplates the creation of big South Indian Grid connecting up the Madras, Pykara, Mettur, Periyar and the Papanasam Power Stations. The object is an interchange of Power between the various stations to conform with the load and water conditions. Of these, the Madras area has been existing for a long time but has to be further developed. The Pykara area has been recently brought into existence and is in the course of development. The Mettur area has just been started and proposals for the starting of other areas within the next five years have been made. The Papanasam scheme is being actively considered; and it is likely that a start will be made within the next year.

The Madras area is supplied with Power mainly from the Thermo-electric Station situated within the city of Madras.

The Pykara area is to be supplied by the Pykara and the Moyar Hydro-electric Power Stations, of which the former is in existence. This project utilizes the waters of the Pykara river, which rises on the slopes of the Mukurthi peak and flows along the Nilgiri plateau at an elevation of between 8,000 and 6,500 ft. After a winding course of 15 miles it plunges into the eastern valleys in two falls and a series of cataracts with a total drop of 4,000 ft., of which $\frac{3}{4}$ is being utilized for this Scheme. This is the highest head so far adopted for Hydro-electric projects in either America or Europe. At the point when the river is tapped for this project, it has a catchment area of 42 sq. miles. The annual rainfall is 110 inches, the maximum flow of the river is 20,000 cusecs, and the minimum flow 15 cusecs. This necessitates storages, and sites admirably suited for Reservoirs are available in this area for a total storage of 3,000,000,000 c. ft. With this storage the scheme is capable of developing 90,000 H. P. with another 30,000 H. P. available by utilizing the tail water of this Scheme and the balance of 1,000 ft. of head available below. This latter Scheme is called the Moyar Scheme and will be developed at some future date. The first stage of this Scheme utilizes 3000 ft. head to develop 22,000 H. P. with part storage while additional storage will be added on as demand arises. Water is picked up at an intake on the river and is led by a flume to the forebay which is formed by damming each end of a flat valley by earthen bunds. It is supplemented by an independent supply from a storage reservoir formed by damming the Glen-Morgan River. The total storage capacity of the forebay and the reservoir is

84,000,000 c. ft. From the forebay the water is led through a pipe 78" in diameter which lower down branches off into pipes varying from 27" to 21" diameter leading the water into the turbines. The great head has necessitated extra precautions in the design of the pipe line at the lower portion due to the high pressure involved. The cost of the pipes alone is 18 lacs. The generating units consist of 3 alternators of 7,800 k.w. each driven by pelton wheels. The current is generated at 11 k.v. 50 cycles and transmitted to Coimbatore by a double circuit 66 k.v. line. This line is designed for 110 k.v. to which pressure it is eventually intended to transform when the full scheme matures. From Coimbatore a number of 22 k. v. lines radiate supplying Power to the various cotton mills in the Coimbatore area, the Tea Estates of Anamalais, the lighting of various towns. It is also expected that the S. I. Railway will electrify a portion of their line in this area. Since the inauguration of this Scheme in the year 1933, the demand for Power has been very great and has far exceeded the sanguine expectations of the Government when this stage was first laid out. The project was designed for a continuous output of 6,000 k. w. and maximum possible demand of 15,000 k. w.; and it was assumed that at the tenth year of operation additional water storage would be necessary in order to utilize the full capacity of the machinery installed. The demand, however, has been so great and the situation was such that it compelled immediate action and the Government had to commence work of further storage immediately. This is the construction of a reservoir by damming the Mukurthi river. This river has an altitude of 6,795 ft. above sea level at the site of the proposed reservoir and the natural configuration of the country offers an excellent site for a storage reservoir. The dam as designed will be 90' high above the river bed and the reservoir will have an effective capacity of 1,600 million c. ft. It will give a continuous flow of 185 cusecs for 100 days. The cost of the work is estimated at Rs. 21,25,000. The first stage of the construction programme is to store 500 million c. ft. of water. This work will be completed in two years at a cost of about Rs. 16,00,000. As soon as this is completed, it will increase the output of the Pykara Scheme by at least 12,500,000 units annually, representing a gross revenue of at least Rs. 4,00,000. The operation and maintenance expenses on the dam are negligible; and taking the Scheme by itself it will be highly remunerative with a net revenue of 2.75 lacs.

Regarding the financial aspects of the Pykara Scheme a glance at the following figures available after the first year of its working, will show how remunerative the Scheme is:—

	Capital	K. W. H. Distributed	Operation. Costs.	Nett Revenue
	Rs.		Rs.	Rs.
Estimated	1,33,36,000	65,34,000	2,62,000	78,160
Actuals	1,09,80,000	96,69,203	2,40,000	1,35,500

This represents an approximate yield of about 13 per cent. On the industrial side, the demand for power has been growing steadily. Over 5,200 k.w. are being consumed by the cotton mills. The demand for pumping has alone been 1,000 k. w. The availability of Power has stimulated new enterprises, the most notable of which is the Madukarai Cement Factory.

The next Scheme that has been recently started is the Mettur Hydro-electric Scheme. The following extracts from the Government's publication regarding this scheme fully bring out all the features.

The Mettur Dam, one of the largest structures of its kind in the world, is 176 feet high and can impound a total of 93,500 m.c.ft. of water. This storage is primarily for irrigation purposes, but the water let down for irrigation is also to be utilized to the best advantage for the generation of hydro-electric power. During the construction of the dam, 4 pipes 8.5 feet in diameter were built into the structure and equipped with the necessary valves, gates, screens, and other fittings. The function of these pipes was for surplusing from the reservoir during the latter part of the construction period, and for power generation afterwards.

The operating head will vary from 160 feet at full reservoir level to a normal minimum of 80 feet. Under such water conditions a minimum demand of 19,200 horse-power, or 7,680 horse-power continuous, may be met without the assistance of other plants. It is under these conditions that the commercial prospects of the scheme are judged. By operating Mettur in conjunction with Pykara or an auxiliary steam plant, higher demands for power may be met. Short-time assistance from Pykara or an auxiliary steam plant is necessitated for greater outputs by the fact that the storage is essentially for irrigation purposes and the power plant can use only the water let down for irrigation, which is an enormously varying quantity; whereas for power purposes, continuity of supply is essential. Not more than 1,000 cusecs will be available during the irrigation closure season. When the possibility of

generating hydro-electric power was first considered—and pipes provided in the dam—it was the intention of the authorities responsible to change the crop season in the new area to be supplied, so that among other advantages a continuous supply may be available for power purposes. This, however, was not finally accepted by the Government and the scheme as now designed assumes that the same seasons will be adhered to in the new as well as the old area. The following figures give an approximate idea of the maximum output under varying conditions:—

Mettur alone with no restriction in irrigation ...	19,000	7,700
Mettur alone with limited restriction in irrigation about twice in 15 years	19,000	13,000
Mettur with Pykara (present installation only). No restriction of irrigation ...	23,000	9,500 to 12,000

Mettur with Madras and/or an auxiliary Steam Plant ...	45,000	24,000
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In an emergency, as much as 60,000 horse-power might be generated under certain water conditions.

A normal feature of the scheme will be the availability of what is called secondary and tertiary power as contrasted with the primary power which should be available for all time. The secondary power will be restricted only in the dry years and tertiary power will be available for eight months in the year.

The restriction on irrigation is explained in the Mettur hydro-electric project report. For a comparatively small restriction of irrigation flow of a few weeks twice in 15 years, the reservoir working tables could be so modified as to increase, appreciably, the potential power output and the earning power of the project. The present scheme does not, however, contemplate any restriction in the irrigation flow for power purposes, but is based upon the minimum output and least favourable conditions.

Power Plant

It is proposed to install four double horizontal Francis turbo-generator sets of 15,000 horse-power each, one of which will be spare. Only two units are to be provided at first, the third will be added in the third year and the fourth in the seventh year of operation, should load conditions justify the additional generating capacity.

The plant, when completed, will thus be capable of a maximum output of 60,000 horse-power.

The generators will operate at 11,000 volts, 50 cycles, having a normal rating of 12,500 K. V. A. each. They will be specially designed for transmitting power eventually to Madras and will be equipped with a modern "quick response excitation" system.

The power-house building will be about 375 feet long of simple design, and will harmonize with the dam structure.

The transformer station is to be of the outdoor type similar to that at Pykara, and will be designed to operate at 66,000 volts initially, and 110,000 volts eventually. The transformer units will be of the same capacity as the generators.

Transmission System

Two 110/66 K. V. circuits on steel towers will be constructed to a point near Singarappet 66 miles from Mettur, and will form a section of the future trunk lines connecting Mettur and Madras.

From this point various transmission lines will be built to serve the districts of Salem, North Arcot, South Arcot, Tanjore and Trichinopoly.

A summary of the approximate mileage of transmission and distribution lines included in the project is—

	Miles.
110,000 volts lines double circuit	66
66,000 " " " " "	148
66,000 " " single circuit	200
33,000 " " " " "	160
22,000 " " " " "	90
11,000 " " " " "	200

Sub-Stations

One of the features of this scheme is the rural distribution system at 66,000 and 33,000 volts mainly in the North Arcot area. In many cases distribution is to be effected direct from the high voltage lines. For this purpose an economical and standard type of transformer station has been designed.

The sub-stations contemplated in the scheme are as follows: Receiving and transforming stations at Erode, Singarappet, Trichinopoly and Negapatam with stations of lesser importance at Tiruvarur, Tanjore, Papanasam, Karur, Villupuram, Vellore and Tiruvannamalai. Smaller transformer stations are to be located at Polur, Tirupattur, Ambur, Vaniyambadi, Jalarpet, etc.

The districts to be served are North Arcot, South Arcot, Chittoor, Salem, Trichinopoly, Tanjore and, later Chingleput and Madras. Generally speaking, all towns and villages in

these districts will be given electric supply, whenever the demand is sufficient to justify the investment in lines and transformers.

Demand for Power

The estimates of load and revenue are based on the actual requirements of the various licensees who have agreed to take power-supply, on the results already achieved in the Pykara area, and on the experience of the Mysore and the United Provinces Hydro-Electric undertakings.

Particular attention is to be paid to agricultural requirements, for which the area to be served holds out great promise. In the Coimbatore district alone, in less than two years, over 1,000 horse-power, in pumps are already connected or agreements have been signed. The development of this class of load is, as yet, only in its preliminary stage.

Boring for water in a systematic manner, as in the United Provinces, is being advocated for those areas where water is scarce.

In order to speed up development beyond that contemplated in the estimates, proposals for starting certain specialized industries, at or near Mettur, have been suggested in the project report.

Generally speaking, the load situation is even more favourable to-day than when the estimates were prepared.

There have been important inquiries for future power services from various parts of the area included in the scheme. New sugar factories are to be established and textile mills of various types are projected at Salem, Karur, Trichinopoly and Tanjore, so that, taken in all, the commercial outlook is promising.

The scheme is attractive, being both technically and economically sound. It possesses greater revenue potentialities than can be judged by the financial forecast, since the latter is not based on the maximum power output.

Commencement of Work

The work on the foundations of the power plant and surveys of transmission lines are scheduled to commence in April, and it is hoped that the whole scheme will be in commercial operation within 2½ years.

Products of Indian origin will be used wherever possible, and it is proposed to start the manufacture of certain equipment and fittings for transmission lines and sub-stations at the Mettur Workshops.

The scheme when completed is expected to yield a net return of 7.9%.

Finances.

The total expenditure on the scheme is estimated to be Rs. 192,600 lakhs, Rs. 138,648 lakhs initially and Rs. 53,952 lakhs in ten years.

With the ultimate development of the whole scheme, Madras will be the foremost province in the possession of a big electricity grid.

H. E. DEVELOPMENT IN TRAVANCORE STATE

Another important project which is under construction is the Pallivasal Scheme of the Travancore Government.

The scheme is to harness a waterfall on the Mudrapuzha river, a tributary of the Periyar, at Pallivasal.

The harnessing of some of the important waterfalls of the State has been engaging the attention of Government for some time. A preliminary survey of the hydro-electric possibilities of the State was carried out in 1919 by Mr. F. J. Jacob, the then Chief Engineer of the Public Works Department. The present project was investigated and an estimate submitted to Government in 1932. An estimate for Rs. 70.8 lakhs was sanctioned in February 1933. The execution of the work was taken up in the following May, when the present Electricity Department of the State, was created.

Tunnel and Forebay

The total head available at the site where the power house is to be located is 989 ft., which is distributed over three miles of the water course. Water will be diverted from the existing Government weir at Munnar at a level of 4,750 ft. above sea level and taken through a tunnel cut through the mountains approximately 10,130 ft. in length and led to forebay where the level is 4,715 ft. From the forebay water will be let down through two penstock lines each 7,447 ft. in length to the power house, where the level is 2,760 ft.

Each penstock is designed for the discharge of 32 cusecs at 109 ft. loss of head so that the net head available at the power house will be approximately 1,880 ft. There are to be installed in the generating station two machines of 4,500 k.w. each, to be led from the two pipe lines and these are so interconnected that at a future date one more machine of the same size could be installed to be worked from either of the pipes. The minimum dry weather flow of the river is about 64 cusecs and the total power that could be generated from this quantity of

water, without any storage, is 12,000 b.h.p. continuous. With increased demand for power, it will be possible to augment the dry weather flow by providing suitable storages in the Lockhart and Kundale valleys by which it is expected to increase the capacity of the station ultimately to 30,000 k.w. or roughly 40,000 b.h.p. The construction of these storages is not included in the present programme of work. But detailed investigations are now in progress, so that when the demand for power increases and the installation of more generating sets becomes necessary, it will be possible to take up the construction of these storage lakes at that time.

The Generating Station

The two electric machines in the Power House will generate at 11,000 volts and will be direct-coupled to pelton wheels controlled by oil-pressure governors. Each generator will be connected to its own transformer through isolating links and duplicate busbar so that in case of any emergency arrangements could be made to change over from one set to the other. The transformers will have two secondary windings, one for 11 k.v. for local distribution and the other for 66 k.v. for transmission. The transformer equipment is of the outdoor type and arranged as a double busbar system. All oil circuit breakers are electrically operated from a control board located in the power house.

The 66,000 volt lines from Pallivasal will go across the hills to Kothamangalam, 31 miles from Pallivasal, will branch off from there, one set of lines going to Alwaye, 19 miles away, and the other to Pallam, 40 miles from Kothamangalam. At Alwaye and Pallam the two main receiving stations are to be located. The transmission line throughout consists of two independent circuits, carried on galvanized steel towers, spaced approximately 1,000 ft. apart in the hilly section, and 750 ft. in the plains section.

In the hilly section, the conductors will be steel-cored aluminium, while for the plains it will be stranded copper. At the Pallam receiving station, the transformers are provided with two secondary windings, one for 33 k. v. and the other for 11 k.v., the 33 k.v. being used for transmission to Alleppey, while the 11 k.v. is for local distribution to Kottayam, Changanacherry, Thiruvella and the Punja fields.

In the Pallam sub-station provision is made for the extension of the 66 k.v. lines to Peermade and to Quilon, the line going to Peernade being ultimately taken back to Pallivasal to form a loop.

The total length of the 66 k.v. transmission line will be approximately 90 miles and the length of the 33 k. v. line from Pallam to Alleppey will be 12 miles across the back-water along the embankments of the paddy fields.

Local Distribution

Suitable sub-stations for stepping down the voltage from 11,000 to 400 for distribution to the consumers are being provided at Kothamangalam, Alleppey, Pallam, Changanacherry, Thiruvella, Shertallay, Kuthithodu, Thycautsery, Alwaye, Mudikal and Manjummel.

All the 11 k. v. lines will consist of copper conductors and will be carried on local teak wood poles, which will be seasoned and treated by Mr. Kamesam's Ascu process of impregnation. The total length of the 11 k.v. distribution in accordance with the present programme, will be about 70 miles.

Supply for Industries

The load anticipated in the early stages of the operation of the project will be purely for industries already existing and for which more expensive forms of energy are used at present. One of the main loads to be connected up immediately after the scheme comes into operation is in the immediate vicinity of the power house site, where a maximum demand of 1,200 k. w. with an annual consumption of 5 million units for the tea industry, will be required.

It is also expected that about 800 k. w. will be utilised at Alleppey and the neighbouring places for coconut oil milling with an annual consumption of a million units. In addition to these a consumption of 6 million units for Punja cultivation is expected. The domestic and municipal loads in the early stages may reach about 500 k.w., with an annual consumption of one million units.

Negotiations are now in progress with several industrial concerns for the sale of power at specially attractive rates for new industries to be initiated in the State.

One of these industries will be connected with the paper manufacture, for which there is an abundant supply of raw materials available in the State. Investigations have already been carried out by the Forest Department, to ascertain the amount of raw material that will be available for this industry and the results of the investigation have definitely established that there is ample scope for running a large-size mill with an annual output of about 6,000 tons of paper manufactured out of local reeds

(*Ochlandra Travancorica*). In view of the fact that the load factor in a paper mill using electric current for the manufacture of bleach and other chemicals will be very high, it will be possible to offer a specially attractive rate for such an industry.

Another matter which is now being seriously considered is the utilising of hydro-electric power for electro-chemical processes for the manufacture of artificial manure.

Low Cost of Works

The fact that the capital expenditure on this project is likely to be on the lowest scale reached in India gives the hope that the power produced by the scheme will also be on the cheapest rate available in India. For this reason it is confidently hoped that industries already existing in the State will be able to work more economically.

This source of power will also be one of the chief inducements for new industries, for which there is an abundant supply of raw materials in the State.

Investigations are now going on to find out the possibility of utilising power for lift irrigation in the paddy fields of Kunathunad and Alangad taluqs and the sugarcane fields of Thiruvella and the neighbouring places. It is anticipated that about 40,000 acres of land could be brought under irrigation by this process, which will enable cultivators to be entirely independent of the river conditions brought about by vagaries of the monsoon.

HYDRO-ELECTRIC PROJECT IN THE UNITED PROVINCES'

The Hydro-electric Project of the U. P. differs in many respects from that of the other provinces. The ultimate scheme is the development of all the power available in the falls of the Upper Ganges Canal. This Canal, the longest in India, starts from Hardwar and traverses a fairly flat country for a distance of about 300 miles and irrigates a vast area of the fertile lands of the Gangetic valley. The average slope of the country in the upper reaches is about eight feet per mile and the canal has a gradient of one foot per mile. The cumulated differences of elevation of the country and the canal bed are absorbed by a number of artificial falls varying in height from 15' to 6'. The greatest falls are concentrated at the upper reaches, as the slope of the country is a gradually diminishing factor from the upper to the tail end.

The ultimate proposal provides for the development of all the power available at

these falls and utilises it for supplying domestic, industrial and agricultural purposes, spread over a course of 10 years. The total power available is 34,000 k. w., and the programme drawn up for the construction of the various power houses is tabulated below:—

Station	Power available in K. W.	Year of Construction.
Bahadurabad	5,400	Already com
Bhola	... 2,700	"
Palra	... 600	"
Sumera	... 1,200	"
Chitora	... 4,000	Under constr
Salawa	... 4,000	"
Mohamedpur	5,000	1937-38
Pathri	... 3,000	1938-39.
Nirgajni	... 5,000	1936-37.
Ranipur	... 3,000	1940-41.

The total cost of the whole scheme is estimated to be Rs. 2,82,38,923, the total annual revenues are anticipated to be Rs. 45,82,591, the annual charges are estimated to be Rs. 15,03,448 thus yielding a net revenue of 30,79,143 representing an yield of 10.9% on capital outlay. Doubts were at first expressed as to whether this scheme could be successfully completed without impairing the Canal's usefulness for irrigation, consequent on there being no respite to the canal flow for annual repairs. There was considerable deliberation, as the canal is in the main for irrigation purposes and has been bringing to the exchequer Rs. 62 lakhs annually, and, as the electrical power can be looked upon only as a by-product, to whose development the major interests cannot be subordinated. It was eventually concluded that many of these repairs could be undertaken while the canal is discharging to its partial capacity and the project was commenced. It will be seen from the above table that up to now plants have been installed at Bahadurabad, Bhola, Palra and Sumera developing 10,000 k.w.

This scheme is attractive from various points of view, amongst which the most important are the low capital cost, due to there being no need for any extensive hydraulic works which are already there in the shape of a canal, and the flexibility of the scheme in the possibility of the development of each individual project as and when the demands arise, without over-capitalization. The development of the load has been carried on by the Government in a unique way. Besides supplying in bulk to the various licensees for retail distribution, to the railway and to a few of the mills, the major portion of the power is ear-

marked for agricultural purposes, of which irrigation is the most important. Having no mineral resources the province has to depend only on agriculture for its development and hence the importance of irrigation cannot be over-emphasized. The major irrigation project, viz., the Ramganga, that has recently been completed, would not have been possible but for its relation to hydro-electric power.

Attempts have been made to utilise the waters of this capricious stream for irrigation purposes but without success. The necessary gradient for the country to ensure the success of a gravitation canal was not available. Since the advent of the hydro-electric scheme the Ramganga project has been brought to a successful issue. This project is to pump water from the river into a channel and thus artificially give a head necessary for the gravitational flow of water. A weir was constructed across the Ramganga River with high flood banks on either side and on the right flank the canal takes off, water being pumped from here into the canal. The pumping is done in two stages, once at the headworks and further a mile down below. This irrigation channel is designed to pass 200 cusecs; and the whole system consists of 62 miles of distributories and 34 miles of minor channels. The total commandable area on the system is 96,398 acres. This scheme by itself is highly remunerative as may be seen from the following figures:—

	Rs.
Capital cost	... 23,69,163
Gross revenue	... 3,73,460
Working expenses	... 2,26,356
Net revenue	... 1,47,104
Percentage return on capital outlay	... 6.2%

Next in importance to this scheme is the Kali-Nadi scheme. This scheme is the pumping by means of electric power of 100 cusecs of water from the Kali-Nadi river in a channel which discharges into the Upper Ganges Canal thus adding to the latter's flow. To utilise this water various extensions in the Ganges canal irrigation system have been made.

More important than all these schemes there is now a systematic move to tap all the subsoil water for the purpose of irrigating land. Sir William Stampe, the Chief Engineer, has proved beyond all question the economic feasibility of this scheme and the development of tube well pumping schemes is rapidly going on. The scheme, broadly, seeks to provide a number of tube wells in the areas at present not enjoying the benefits

of canal irrigation and pump water from these tube wells by means of electric power. Out of the 28,000 k.w. of energy ultimately available, 12,000 has been allotted for this scheme; and this at the rate of 8 k.w. per tube well will suffice for 1,500 tube wells. Each well is expected to yield 1.5 cusecs and will irrigate approximately 130 acres of cane and 250 acres of wheat annually. This gives the total of the cultivated area an increase of 400,000 acres of wheat, and 200,000 acres of cane.

The standard well yielding 1.5 cusecs (33,000 gallons per hour) is approximately located $1\frac{1}{2}$ miles apart in cultivated country. Distribution consists of one or two miles of radiating guls or channels per well. The cultivator buys the water on a volumetric basis at the well at the specified rate of 7 pies per k.w. of electricity. With water priced at Rs. 2 per acre for wheat and cotton and at Rs. 3 per acre for sugar, there exists a ready demand for irrigation. With the current rates for machinery and labour, the cost of a standardized well is Rs. 5,000. In the current year 130 wells are being sunk and the programme for the next year is 230 wells.

To provide water in the Southern area where it would not be economical to pump water from great depths, a scheme of substitution by conversion has been evolved. The idea is to pump from shallow wells into canal-fed distributories in the areas which are at present in the canal area and release this water for carriage to other tracts where tube wells are not feasible for geological reasons. This scheme is still in the experimental stage, although the Daurala distributory of the Meerut district, which was originally fed by the Ganges Canal, is now entirely fed by the pumped water of the tube wells. The 88 cusecs of water that was originally flowing in the distributory is now taken down the main canal and Mat Branch to the Muttra District.

Another major project, which is now engaging the attention of the Government, is that of irrigation of the eastern tracts of the U. P. from the river Goomti by developing the electric power of the fall in the river near Sultanpur and pumping the waters of this river into canals with the help of the developed power.

With the development of the hydro-electric schemes, an era of prosperity has been ushered in the U. P.; and ere long the great experiment of systematic utilization of electric power for large-scale irrigation, which is unique in the world, will

be brought to a successful issue and will provide a model for other provinces to follow. Already Madras is turning its attention to the lines of development in the U. P.

THE PUNJAB HYDRO-ELECTRIC SCHEME

Situated in the midst of the lofty Himalayan ranges, where nature is as savage as it is picturesque and beautiful, the Uhl River project is one of the most remarkable achievements of the human race in its attempts to harness to its needs the latent potentialities of nature. Before work was commenced, this spot, removed from civilisation, inaccessible except by foot, was the home of the panther and the black bear. The rugged relief of land covered over with a profusion of the red and pink Rhododendron trees and the sheltered nooks exhibiting a luxuriant growth of the primrose and a variety of such other wild flowers imparts a pleasing variety of colours to the surface and fills a casual observer from civilisation with an idea of nature's might and beauty. The quietness and seclusion of this spot was never disturbed except by a casual procession of rustic people bearing an image of their God to the accompaniment of cymbals and horns. It is in such a spot as this that the Uhl River project has its headworks and power stations.

For a long time, since the report of the Industrial Commission recommending the development of water power in the Punjab and U. P., systematic prospecting has gone on for the selection of a suitable site for hydro-electric power and out of eighty possible sites the present one was chosen as the best. It was first suggested by Mr. Meares, Hydro-Electric Adviser to the Government of India. The Government of the Punjab resolved on the execution of this scheme and appointed Colonel Batty as Chief Engineer and commenced work in the year 1925.

The aim of the project is the utilization of the waters of the Uhl river for developing electricity. The Uhl river is joined by the river Lambadog and after a long and winding course in a valley flows into the River Beas a long distance below the site of the present headworks of the project. The Beas River flows in another valley called the Kangra Valley separated from the Uhl river valley by a high range of hills. At the site selected for the project the range has an elevation of 9,000 feet above the Uhl river bed and the Beas river is 3,000

feet below the Uhl River. The Project seeks to divert the waters of the Uhl and the Lambadog just above their confluence through this lofty range by means of a tunnel $2\frac{1}{2}$ miles long and drop this water through the slopes on to the Beas and utilizing this water for generating power. The waters of the river Uhl and the Lambadog are diverted by means of two weirs, and after filtration and sedimentation led into an open flume followed by a rapid into a fore-bay. From here the water is led through the tunnel 14,202 feet long and $9\frac{1}{2}$ feet in diameter. The construction of the tunnel presented very great engineering difficulties, as after a little progress it was found that the strata inside was loose rock which could not be blasted and which had, therefore, to be removed by picks and bars, a very slow process entailing heavy cost. At one time a hollow was struck and an avalanche of rock occurred. It took four months to remove the debris and carry on the work. The tunnel is lined with reinforced concrete and strengthened so as to be earthquake proof. During the work the great difficulty experienced in the tunnel work infused nervousness in the people of the Punjab and there was a hue and cry for crying halt to this project.

A committee of enquiry was set up and reported in favour of carrying on the work and the work was proceeded with. The tunnel is designed to carry 600 Cusecs at 9' per second. At the end of the main tunnel are two pipe-lined tunnels 1,100 feet long and 6 feet in diameter. At this point there is a surge tower 357 feet high above ground provided with an overflow tunnel discharging into a natural stream. The object of the surge tower is to provide a safety valve preventing unexpectedly high pressures occurring in the tunnel due to sudden shutting down of the plant below. At the end of each pipe tunnel a penstock $4\frac{1}{2}$ " diameter at top goes down the hillside a distance of 4,556 gradually reducing in diameter to $3\frac{1}{2}$ "; and at this point it bifurcates into two pipes of $2\frac{1}{2}$ " diameter leading 100 Cusecs each to the pelton wheels rated at 17,000 H.P. situated at the generating station at Jogindar Nagar. The vertical drop is 1,800 feet. There are four generating sets each consisting of a pelton wheel 17,000 H.P. coupled to B.T.H. alternators of the same rating as the turbine generating current at 11 k.v. From this point the energy is transmitted by cables housed in a concrete conduit to the outdoor sub-station where it is transformed to 132 k.v. which is the highest pressure adopted

hitherto in India. From here a main double circuit transmission line conveys the current to Lahore—a distance of 173 miles and further at this pressure to Jullunder and Amritsar—a distance of 55 miles. At Lahore part of the energy with the voltage reduced from 132 k.v. to 66 k.v. is transmitted to Lyallpur—94 miles west and to Ferozepur 50 miles east. This system has the longest network of transmission lines in India. The total area served by this scheme is 46,000 square miles.

The present output of this scheme is 5,6000 k.w. ; and provision has been made to increase it in the next stage by providing storage at the Uhl river for increasing the output to 72,000 K.W. by a dam 270 feet high, while the third stage provides for the utilization of the tail water and the balance of 1,200 of head available to develop another 30,000 K.W. The final scheme will be capable of a continuous output of 1,20,000 K.W.

The unexpected trouble in the work of tunnelling, the inefficiency of indigenous labour and the vagaries of the seasons have greatly enhanced the original estimated cost of the scheme, which stands at six crores. This sum includes the cost of all communications including the Kangra Valley Railway which has made this spot accessible to civilization. As originally estimated, the scheme was expected to produce electricity at $6\frac{1}{2}$ pies per unit ; but the enhanced cost of the project has had the effect of increasing the cost of production though not in the same proportion. The compensating factor has been the reduction of interest charges on the capital outlay and the cost per unit now is only 7 pies.

The development of load is as yet confined only to electrification of towns and supply in bulk to licensees. But the Government are considering the systematic irrigation of lands by electric pumping as in the U. P.

MALAKAND HYDRO-ELECTRIC SCHEME

The Government of the North-West Frontier Province has commenced the construction of an hydro-electric power station on the Upper Swat Canal, where it leaves the Berton tunnel near the Malakand Fort in the Malakand Agency and flows down a steep nullah bed and pitched channel before entering the plains of the Peshawar District. Two power sites about 4 miles apart exist on this stretch of the canal, which has a minimum flow of 1,250 cubic feet per second. At the upper site near Malakand Fort a fall of 250 feet on the turbines can be created at very low cost,

and the site, when fully developed, will be capable of a continuous output of 20,000 K.W. The lower site near Dargai can also be developed with a fall of 250 feet, from which an additional 20,000 K.W. is obtainable, but at greater cost than at the upper site. It is, therefore, possible to develop up to 40,000 K.W. continuous power on the Upper Swat Canal between Malakand and Dargai. Although very little known at present, this is one of the largest and cheapest hydro-electric power sites in India, and as it is situated only 10 miles outside the border of Peshawar District, it will play a very important part in the future development of the Province.

The scheme approved by the Government and now under construction is a partial development of the upper site with the necessary transmission and distribution works. Three 3,200 K.W. 11,000 volt, 3-phase generating sets (one a standby) will be installed in the first instance, and all works are being designed to permit of extension up to the full capacity of the site.

The generated voltage will be stepped-up at the Malakand power station to 66,000 volts for transmission to grid substations located near the towns of Mardan, Charsadda, Peshawar and Risalpur in the first stage of the scheme, and to more distant grid substations in later stages. From these grid substations 11,000 volt mains will be constructed to supply the Military Authorities with energy for the Cantonments of Peshawar, Risalpur, Nowshera and Mardan.

The main object of the scheme, however, is to supply electricity to the public generally throughout all districts within range of transmission, and in the first stage of the scheme now in hand 11,000 volt mains will be constructed from the above grid substations to the nearer towns and villages, such as Charsadda, Prang, Mardan, Hoti, Nowshera (city), Chamkani, Utmanzai, etc., in which distribution systems will be installed and operated at 400 volts, 3-phase, and 230 volts phase to neutral, with service connections to the humblest consumer.

All local distribution in connection with the scheme will be undertaken by Government, except in Cantonment areas where it will continue to be carried out by the M. E. S. In addition to meeting domestic requirements in towns and villages, the energy will be made available in lift irrigation, drainage, flour milling, chaff-cutting, sugarcane crushing, etc.

The scheme was initiated by Mr. F. H. Burkitt, C.I.E., O.B.E., late Secretary to

Government North-West Frontier Province Public Works Department. The first stage is estimated to cost Rs. 52 lakhs, and supply to the public should commence towards the end of 1937.

Among the various other schemes that are in contemplation at present are the development of power in the Nizam-Sagar of the Hyderabad State and the development of Hydro-electric project in Central Provinces for which prospecting is being done for the purpose of electrification of the north-eastern main line of the G. I. P.

Though much has been done in hydro-electric development in India, what has been so far achieved is only a small fraction of what still remains to be done. The American Committee of the World Power Conference has published a statement furnishing the figures in this regard:—

	Total power available in kw	Power already developed in kw.	% of world power
World	...	39,257,000	...
U. S. A.	...	11,800,000	30.06
Canada	...	5,256,000	13.39
Italy	...	4,338,000	11.08
Japan	...	3,151,000	8.03
Russia	...	758,000	1.93
India	28,000,000	300,000	0.76

The vast store of power still awaiting development is obvious at a glance.

Though much has been done for rural electrification in the development of hydro-electric power in India, the projects have been conceived in a very conservative spirit and are far from catering to the needs of the rural population. The developments have been governed more by the prospects of immediate return on the capital outlay than by the needs of the rural population. The millions of India are scattered over the many villages depending for their living mainly on agriculture; and if electric power is made available to them it would not be long before many cottage industries are developed. This will enable the peasant population to supplement its income from agriculture during the periods of enforced idleness between the seasons of agricultural activity. It will be vain to suggest that the average peasant might be instructed in the use of electric power for agricultural operations and thus effect an increase in the yield of the land. The application of power for this purpose is uneconomical for individual farming, as it is at present being carried on due mainly to the average holding of the

peasant being so tiny. If they are sufficiently educated to realise the advantages of collective farming, there is a wide field for the application of electric power for ploughing and other agricultural activities. With the growth of the Co-operative movement and with the growth of education among the peasant population, a favourable atmosphere for collectivist farming with the attendant advantages of an immense increase in the produce will have been created.

Besides agriculture there are various small cottage industries for which electric power can be utilized by the rural population. Of these cottage industries, weaving suggests itself as a very attractive one. Before the advent of cotton mills, all the clothing of India and, indeed, of the whole world was woven by the hand looms in the various cottages of India. Most of these looms have disappeared due to competition from the mills, but there still exist a considerable number in many parts where they bring a pittance to the worker. If with slight improvements these are worked by electricity they can be more remunerative and will stimulate such enterprise in many other parts, and a state of affairs can be visualised in which the cotton weaving industry will be scattered over a vast area instead of being concentrated in some big cities with all the advantages of and without the attendant evils of factory working. Cotton weaving is mentioned here only as an example, and the principle may be extended to many such industries.

Rural electrification is not advocated primarily as a labour saving proposition or for scientific advancement. It has a social and an economic significance and will prove in the long run a determining factor in the progress of the human race. It is a fact that nine out of ten men living in the cities

sigh for the country side and are held in the cities only by economic pressure. The land worked in the old fashioned way is not sufficiently productive to keep those born in the villages, with the scant necessities of life. The drudgery of the work in land and the little reward which it yields are known at first hand to the villagers. Little wonder that the younger generation is attracted by the social advantages of city life which make up for the congestion and less healthy surroundings. Rural electrification can change all this. The agricultural yield will be higher, the task of the peasant will be lightened, the amenities of social life will be made available to the villagers. In short it will mean a return to more natural conditions of life in addition to retaining all the advantages of industrialism.

Signs of an awakening in this direction are not wanting in other parts of the world ; and it will be interesting to know the strides that rural electrification have taken in other countries. France is one of the foremost countries in rural electrification. In one year alone 3,000 Commons were given electric supply and at this rate in a short time practically every area will have obtained electrical power. Sweden is another country where, with the relaxation in the constructional regulations of the Government, it has been possible to transmit power cheaply to every rural area. England is actively engaged in the problem now. In Germany 90% of the rural areas have a supply of electricity and the annual consumption exceeds 1,000,000,000 units while in Switzerland the consumption in rural areas exceeds 400,000,000 units. In all these countries, rural electrification has been proved to be a very paying proposition. Conditions in India are ripe for a similar advance ; and let us hope the opportunities will not be neglected.

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AGRICULTURAL SECTION

RICE

Rice is, in many respects, the most important of India's agricultural products. Its cultivation, like that of cotton, is spread over nearly all parts of India. And the total acreage under rice was in 1931-32, for instance, as much as 84 millions, which is far in excess of the acreage under any three of the other crops. It contrasts, for instance, with 33.8 million acres under wheat in 1931-32 and 23.5 million acres under cotton. But the position of rice in each province is somewhat different in that the proportion between the exports and internal consumption in each province is not the same. But nearly every province, excepting Burma, consumes the major portion of its production. Bengal and South India are unique in that they enjoy an export trade in the better quality rice and import a part of their requirements of low grade rice from Burma. India's export trade in rice has been subject to severe fluctuations in recent years and her position in the export markets has proved to be more vulnerable than one would have suspected a few years ago. But it is doubtful if, at any time, her predominant position as a producer of rice can be challenged. The disparity between India's output of rice and that of other principal rice-growing countries may be seen from the following table:—

PRODUCTION OF RICE. (In Quintals 000's omitted)

	1929-30	1931-32	1932-33	1933-34
British India	474,949	503,264	471,462	460,301
Japan	107,703	99,850	109,208	128,119
Dutch East Indies	54,792	55,708	54,041	...
Siam	39,058	41,011	51,164	48,285
Korea	24,778	28,704	29,559	32,811
Formosa	11,720	13,528	16,184	15,130
Madagascar	6,150	7,150	6,783	...
U. S. A.	8,288	9,160	8,248	7,271

	1929-30	1931-32	1932-33	1933-34
Italy	6,737	6,662	6,566	6,078
Asia	805,810	803,300	824,100	832,000
Africa	16,980	15,600	19,560	...
Europe (excluding U. S. S. R.)	10,215	9,700	10,170	9,500
N. America	8,288	9,160	8,248	7,271
S. America	13,660	13,660	13,200	...
World	856,000	883,000	877,000	880,000

India thus produces nearly half the total world output. But while, during this period, India's production has fallen from 475 million Quintals to 460 million Quintals, Japan has increased her output from 107 to 128 millions, Siam from 39 to 48 millions, Korea from 24 to 32 million, and Formosa from 11 million to 15 million quintals. In this decrease of India's production and the increase of the production of foreign countries, lies the most important problem relating to rice. For, they show the extent to which India is losing the foreign markets for her rice and the rate at which India's customers are fast becoming her competitors in the rice trade. This process began with Japan's attempt to retaliate against India for the preference which she accorded to British steel at the time the first scheme of preferential duties was brought in in the Iron and Steel Protection Act of 1926. This Act deprived India of the Japanese market ; and Japan has since changed herself rapidly from an importer of rice into an exporter the self-same product. But though in the case of Japan a political factor may be said to have been in operation, in the case of the European countries, the change must be attributed to what may well be called the discovery that large tracts in Western and Southern Europe are capable of producing rice in large quantities. The Mediterranean sea board has proved particularly fertile in

this respect; and a recent trade agreement between Germany and Italy provides for Germany deriving a large part of her require-

ments of rice from Italy. The changes in India's export trade of rice may be epitomised in the following table:—

RICE NOT IN HUSK

(in Tons)

	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
United Kingdom ...	39,537	57,876	131,083	75,210	71,415	80,581
Germany ...	270,821	162,238	226,676	228,106	246,113	154,916
Netherlands ...	124,989	100,364	112,412	95,641	80,885	16,284
Ceylon ...	426,345	444,237	409,869	394,314	403,829	391,501
Straits Settlements ...	229,057	265,335	239,757	156,479	153,971	122,726
Sumatra ...	134,291	129,307	95,843	62,491	69,805	70,013
China ...	260,049	467,246	416,809	233,823	170,613	172,025
Egypt ...	44,819	21,921	111,502	36,285	24,102	29,774
Cuba ...	88,371	91,892	70,173	39,043	46,190	13,865
Other countries ...	679,950	513,368	487,291	506,804	466,086	540,853
Total ...	2,298,229	2,253,784	2,301,415	1,828,196	1,732,539	1,592,338

While the decrease in the India's export of rice constitutes in itself a perplexing problem, we have also had during the last two years a far more serious menace in the shape of imports of cheap rice from Siam and Indo-China. The Southern Presidency has been more exposed to this attack than other parts of India, and as the conditions of the rice trade had already been depressed, partly on account of the world economic crisis and partly on account of certain local factors, the imports of Siamese rice created a very acute situation, in which the rice-growers had of necessity to organise themselves for the purpose of agitating against such imports and demanding from the Government of India an import duty on rice. As in most other popular demands, the Government evinced the utmost reluctance to afford this relief to Indian rice and finally conceded a grudging and inadequate relief in the shape of a duty of As. 12 on every maund of broken rice. It is yet too early to say whether this has afforded any relief, but it seems certain that a levy of a small duty on broken rice alone gives the Siamese exporter more than one easy means of evading this obstacle.

The loss of the foreign markets and the advent of foreign competitors even at home make it fairly clear that our national policy in regard to rice must concentrate more and more on the internal demand. There can be no question that, in consideration of the increase in the total population and the extent to which the masses are under-fed in this country, there is a large scope for increasing consumption and thus ensuring a

balance between internal production and consumption. In this context, it is noteworthy that, when the reforms come into being, Burma will have been constituted into a separate unit of the Empire. Considering that the imports of rice from Burma into the mainland amounted to 2,311,003 tons in the calendar year, 1934, it is worth while examining whether, in consideration of the plight of the rice-growers, India may not levy a duty on Burmese rice and thus endeavour to stabilise the rice trade in this country. Such a course would be necessary, if only because an expansion of internal wealth by means of reclaiming more lands for rice cultivation would not otherwise be possible.

In spite of the very pessimistic view we have taken of the prospects of Indian rice in foreign markets, it is necessary to refer to the preference accorded to Indian rice in Britain and a few other countries of the Empire under the Ottawa Pact. But so far, the preference has not been very effective. It has been said that Indian rice is not sufficiently polished or otherwise well prepared for the market so as to attract the British consumers; and it is significant that the British spokesman have emphasised the importance of India giving more attention to the finish of the product in order that she may gain the full benefit of the preference granted to her. India is assured, at the same time, that the intrinsic quality of her rice is in no way inferior to that of the Spanish product, which is very much in demand in Great Britain.

RICE FORECAST

Provinces and States	Area (acres)			Increase or decrease (+) Actual	Increase or decrease (-) Per cent	Current year 1934-35	Yield Previous year 1933-34	Yield (tons) + actual	Increase or Decrease - per cent
	Current year 1934-35	Previous year 1933-34	Actual						
Bengal—									
Autumn	5,572,000	5,775,000	-203,000	- 3.5	1,842,000	2,254,000	-412,000	-18.3
Winter	14,760,000	15,536,000	-776,000	- 5.0	5,929,000	6,626,000	-697,000	-10.5
Bihar & Orissa—									
Autumn	3,361,000	3,354,000	+ 27,000	+ 0.8	924,000	956,000	- 32,000	- 3.3
Winter	10,324,000	4,759,000	+565,000	+ 5.8	3,754,000	3,298,000	+460,000	+13.8
Burma	12,658,000	(c)12,820,000	-162,000	- 1.3	4,968	5,283,000	-265,000	- 5.1
Madras	9,711,000	10,491,000	-780,000	- 7.4	(a)	(a)	...	...
United Provinces including									
Autumn & Winter (rice) (d)	...	6,391,000	5,998,000	+393,000	+ 6.6	(a)	(a)	...	...
Central Provinces & Berar- (d)									
Assam -	...	6,782,000	(c)6,881,000	- 99,000	- 1.4	2,081,000	1,987,000	+94,000	+ 4.7
Autumn	852,000	889,000	- 37,000	- 4.2	204,000	213,000	- 9,000	- 4.2
Winter	3,573,000	3,496,000	+ 77,000	+ 2.2	1,272,000	1,119,000	+153,003	+13.7
Bombay (b)	...	3,327,000	(c)3,537,000	-210,000	- 5.9	1,498,000	1,599,000	-101,000	- 6.3
Hyderabad	...	909,000	1,025,000	-116,000	-11.3	(a)	(a)	...	...
Baroda	...	223,000	178,000	+ 45,000	+25.3	(a)	(a)	...	...
Bhopal	...	23,000	23,000	...	...	(a)	(a)	...	...
Central India									
Total	...	78,846,000	79,762,000	-1,276,000	- 1.6	...	...	...	...
(a) Not yet available.									
(b) Includes Sind and Indian States.				(c) Revised.		(d) Includes Indian States.			

COTTON.

In India's agriculture, cotton is second only to rice. Its importance may, in a view, be said to be even greater than that of rice, in as much as, unlike rice, cotton is a money crop. It is the raw material for a staple industry. Besides a very considerable internal market, it enjoys a wide export trade which, even in these days of very severe international competition, shows promise of considerable expansion. In the world market, Indian cotton is second only to that of American, with which it accounts for more than half of the total world production. It is significant that the spread of cotton cultivation in certain new areas of the world has been mainly at the expense of the American and not of the Indian product. The world's cotton trade is today in a much disturbed condition, the distribution of cotton production and of mill activity being subjected to more or less radical changes. But one would still be justified in saying that the position of Indian cotton, given a reasonable degree of vigilance on the part of the Government and the trade in India, will be found to be unassailable. From the standpoint of the national economy, too, the importance of cotton growing in India can hardly be under-rated. For, in somewhat strange contrast to the position of the Indian cotton in the world markets, cotton growing in this country is still, like the rest of our agriculture, on primitive lines. The backwardness of cotton cultivation can be easily understood if it is mentioned that, while in Egypt the average yield per acre

is about 400 lbs. and in the United States 160 lbs, in India it is only about 80 lbs. per acre, which is slightly more than half the world average of 150 lbs. Cotton cultivation thus offers not a little scope for the activities of the Imperial Council of Agricultural Research; and much has been done in the recent times to encourage the hope that, with more favourable conditions, much will be done in the coming years to improve the yield and, therefore, the cost of production and the competitive capacity of Indian cotton. Another important aspect of cotton in India is that its production is well spread over nearly all parts of India and that measures for improving its position and prospects will shower their benefits on all the provinces, unlike most economic measures, which may be represented to be partial to one province or two at the expense of the others. It is also noteworthy that the cotton textile industry in India is not merely on large scale and capitalist lines, but it also embraces a hand-loom industry, which is run as a cottage industry and which, with encouragement, is capable of becoming a very valuable support for the rural masses. Cotton may, therefore, be said to run through the gamut of India's economic life and has, therefore, a far greater claim on state policy than any other single economic factor.

As mentioned already, India and the United States together account for very much more than half the total of the world production of cotton. The following table gives the figures of production for the various producers of cotton in the world:—

WORLD'S COTTON CROP

In Thousands of bales of 500 lbs.)

United States—

Country	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Lint	14,825	13,932	17,096	13,002	13,047	9,731
Linters	1,241	986	1,067	912	950	900
Total	16,066	14,918	18,163	13,914	13,997	10,631
Mexico	240	174	208	99	220	194
Brazil	564	470	558	396	810	1,200
Peru	266	243	228	234	270	265
Argentina	138	150	165	152	162	160
Other South American	66	52	39	43	51	60
India*	5,243	5,224	4,007	4,656	4,970	5,000
China	2,055	2,317	1,733	2,228	2,700	2,927
Japan and Korea	137	150	98	132	188	200
East Indies, etc.	18	18	15	13	13	15
U. S. S. R.	1,279	1,589	1,846	1,750	1,890	1,650
Persia	73	72	110	100	100	100
Iraq, Ceylon, etc.	4	3	1	†	†	†
Asia Minor and Europe	143	119	131	68	103	151

Country	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
Egypt	1,706	1,655	1,271	991	1,715	1,560
Sudan	127	96	188	110	131	135
East Africa (British) ...	131	166	182	266	252	260
South Africa (British)	14	8	3	2	3	3
West Africa (British)	35	15	5	20	20	20
Non-British Africa ...	121	128	94	127	150	150
West Indies (British)	4	4	2	2	2	2
West Indies (Others)	25	21	30	26	25	25
Australia, etc. ...	12	10	4	11	16	16
World's Total ...	28,467	27,602	29,077	25,340	27,788	24,724
World (excl. U S.)	12,401	12,684	10,914	11,424	18,799	14,093
percentage of total	43.6	46.0	37.5	45.1	49.6	57.0

*Government estimate, 400 lb. bales.

†Less than 500 bales.

It is interesting to note that while, during the last few years, America's share of the total output of cotton has been increasing, she has also been losing ground in the world markets not only to her old rivals but also to certain new countries which have increased their output and are now planning for further expansion of the acreage under cotton. This development must be attributed to the comparatively higher price of cotton, which has resulted from the special measures taken by the Roosevelt Administration to maintain the price of cotton at a certain level without reference to world prices. The American Government has, during recent times, made loans at 12 cents per lb of cotton. The American Government has also large stocks of cotton on hand, the disposal of which is one of the more anxious problems of the Administration. In the middle of 1935, however, proposals have been under consideration by the American legislature for lowering the rate at which loans are made to cotton growers. It is not known, at the time of writing, whether these proposals will be ultimately passed into law. But, even if they are, the Government's interest in a higher price for American cotton will prevent them from taking any step calculated to depress its price. On may, therefore, depend on America's rivals continuing to have this advantage over their chief competitor for some time.

It is in consideration of this difficult position that towards the close of the year under review Mr. Roosevelt endeavoured to bring about an international agreement in respect of the restriction of cotton production and the regulation of the export trade. The proposals were addressed to the British Government not only because Lancashire is far and out the biggest consumer of American cotton, but also because the British Government are obviously in a position to regulate the conditions in India. But, so far, Mr. Roosevelt's efforts have not met with any success. The British Government is not in a position to enter into negotiations with the United States on this subject. For, under the terms of what is known as the Mody-Lees Pact Great Britain is under obligation to encourage the use of Indian cotton in Lancashire; and much has been done already by way of enlisting the support of the British cotton mill industry for this object. The British Government have, therefore, expressed their inability to negotiate for any understanding which has expansion of America's export trade in cotton as one of its objects.

This takes us to a consideration of India's exports of cotton. The following table gives the volume and value of our cotton exports during the last five years and in the prewar year 1913-14.

EXPORTS OF RAW COTTON

(Quantity in Thousands Bales of 4000 lbs)

(Value in Lakhs of Rupees)

Country to which Exported	Pre-War Average						1934-35	Pre-War Average	1930-31	1931	1932	1933-34	1935
United Kingdom ...	122	281	168	168	842	378	172	3,00	1,54	161	3,37	342	
Other parts of British Empire ...	30	6	8	2	...	3	41	11	5	3	...	8	
Japan ...	1,012	1,686	1,080	1,085	1,024	2,010	14,51	20,99	11,05	11,12	10,53	21,08	
Italy ...	238	362	184	151	260	280	3,18	3,77	1,62	1,44	2,39	2,55	
France ...	109	232	81	123	162	146	1,51	2,59	79	1,17	1,58	1,35	
China (exclusive of Hongkong, etc.)	81	606	436	134	386	140	43	7,41	4,52	1,83	3,22	1,29	
Belgium ...	277	217	121	128	146	151	3,68	2,64	1,18	18,0	1,43	1,48	
Spain ...	50	106	45	50	62	62	73	1,16	42	49	63	55	
Germany ...	351	309	166	151	246	151	4,45	3,29	148	1,33	2,09	1,35	
Other Countries ...	192	121	85	71	162	125	266	1,37	80	55	1,40	1,40	
Total British Empire ...	152	287	171	170	342	381	213	3,11	1,59	1,64	3,37	3,45	
Total Foreign Countries.	2,255	3,639	2,198	1,893	2,898	3,065	81,15	43,22	21,86	18,73	23,22	31,05	
GRAND TOTAL ...	2,407	3,926	2,369	2,043	2,729	3,446	33,28	46,33	23,45	20,37	26,59	34,50	

It will be found that, in the years of the depression, the cotton trade was subject to vicissitudes of which the slump in India's exports in the year 1932-33 is the most noteworthy. As is well-known, this slump was due to the boycott of the Indian cotton carried out by Japan in answer to India's treatment of Japanese piecegoods. During the period Indian cotton was subjected to the boycott, the price of cotton slumped heavily leading to serious distress among the cotton growers. The Japanese cotton textile industry also was hard pressed; and, in these conditions, it was found comparatively easy for Japan and India to come to an agreement laying down somewhat variable quotas for the export of India's raw cotton to Japan and Japan's export of piecegoods to this country. It will be seen from the figures of our exports of cotton during the last two years that Japan has kept her part of the agreement in regard to her off-take of Indian cotton, though, it may be added, here and there, there are complaints of Japan's attempts to evade the Pact in respect of her exports of piecegoods by resorting to various questionable devices. The principal market for Indian cotton is the United Kingdom. But, one serious impediment in the way of increasing exports to Lancashire is that the Indian product is a short-staple one and is, therefore, far less suitable for the products of Lancashire than the American. It is in consideration of this fact that the Mody-Less Pact, to which reference has already been made, contemplated the pursuit of propaganda both in Lancashire

and in India with a view to improve the quality of cotton in this country and, at the same time, to bring about those technical refinements and adjustments which will enable Lancashire to consume more and more of Indian cotton. We have been repeatedly assured by the British Government as well as the British cotton mill industry that the propaganda in that country is progressing satisfactorily and that before long, India will be able to reap the tangible benefits thereof.

The foregoing account is designed to sketch in broad outlines the position and prospects of India's cotton in the world markets. Though, at the moment, the greater part of India's production is exported for foreign consumption, it should not be forgotten that India has a large cotton mill industry of her own, which has expanded in the past and which is far from having grown to the fullest extent demanded by the internal consumption. Though the efforts to increase the exports to the United Kingdom and Japan have met with success in the recent past, the country can hardly afford to lull itself into a false sense of security as the principal Continental markets may well have a tendency to restrict imports. Such has, at any rate, been the case with Germany, where the imports of Indian raw cotton have been temporarily prohibited from the end of March, 1934. Apart from this, the export of raw material, which can be utilised for internal production, is obviously an instance of national waste, and the sooner it is stopped the better.

The following table furnishes the acreage under cotton in the principal cotton producers of the world:—

	1933-34. (Area in 1,000 acres).	1933-34. (Yield in 1,000 bales).
U. S. A. ...	30,144	16,471
India ...	23,561	4,633
China ...	6,025	3,278
Egypt ...	1,873	2,174
Uganda ...	1,091	260
Korea ...	429	175
Anglo Egyptian Sudan ...	332	..

As has been already hinted, while the acreage under cotton in India is more than 75 per cent. of the area in the United States, the output is only about a fourth of the American production. But, this production is spread over nearly all parts of India, and the following table furnishes the figures of acreage and yield for the principal cotton-producing provinces of India.

	1933-34. (Area in 1,000 acres).	1933-34. (In 1,000 bales of 400 lbs.)
Bombay ...	6,226	1,365
C. P. & Berar ...	4,178	665
Punjab ...	3,016	866
Madras ...	2,044	450
U. Provinces ...	727	184
Hyderabad ...	3,681	561
Central India ...	1,143	164
Baroda ...	731	48
Gwalior ...	614	59
Other Provinces ...	1,122	235
Total	23,482	4,633

It may be easily guessed from a glance at the above table that, as cotton production is spread over a wide variety of climatic conditions, there is no uniformity in respect of the season for sowing and planting. Another circumstance tending to aggravate this lack of uniformity is that in certain areas, the cotton lands are not irrigated but rain-fed. The Bombay presidency occupies a pre-eminent position in the production of cotton, and in the other provinces, its place in the provincial economy can hardly be under-rated. There is a wide range of Indian cottons, the chief of which are Broach, Khandesh, Kuma-Dharwar and Sind in Bombay; Oomras in Central Provinces and Berar; Cocanada, Kambodia, Karungani and Tinnevellys in Madras Presidency, Sind-Punjab and Punjab-American in the Punjab; Bengals in United Provinces; and Comilla of Bengal and the other north eastern provinces. Under the Indian Cotton Cess Act, a cess of As. 2 per standard bale of cotton is levied on the

Indian cotton exported to foreign countries. On cotton consumed in the Indian mills, a cess of six pies per lb. is levied. This cess forms the funds of the Indian Cotton Central Committee, which devotes it to improvements in cotton-growing, marketing and for carrying on research work in this connection. The cotton trade, however, is regulated in the Bombay presidency by the East India Cotton Association, which is a statutory body with power to control transactions in raw cotton. It was in 1918 that provision was made for a unitary control of the dealings in raw cotton, which, before that year, were conducted under the rules of the Bombay Cotton Trade Association or of the Bombay Cotton Exchange. The East India Cotton Association came into being in 1932 and, since then, the cotton trade has functioned smoothly and efficiently. In other parts of India, the cotton trade is not so organised as in Bombay, but the ready marketability of this commodity and the busy export trade have brought about close links between the cotton-grower and the exporting houses through a series of middlemen, who may be said to be common to almost all the principal agricultural staples. There is a general movement in favour of bringing the marketing of cotton within the scope of the co-operative movement. But, this, as most other reforms in India's rural economy, would seem to be a slow process.

Apart from these problems connected with the improvement in methods of cultivation and of marketing, there is, at the moment, the question of enabling the area under cotton and the total production to regain the levels of the pre-depression period. For, it is to be remembered the area under cotton underwent a steady decline from 1929-30 up to 1932-33 and that thereafter there was a slight rise in 1933-34. 1934-35, however, according to the supplementary forecast failed to keep up the upward trend. The position may be better appreciated by a glance at the following table:—

	Acreage. (In 1,000's).	Production bales. (In 1,000's).
1929-30 ...	25,922	5,243
1930-31 ...	23,812	5,224
1931-32 ...	23,522	4,064
1932-33 ...	22,483	4,656
1933-34 ...	24,136	5,068
1934-35 ...	23,830	4,807

It will be seen that the total production in 1934-35 at 4.8 million bales is still very considerably below the production of 5.24 million bales in 1929-30. One may expect, that, under the stimulus of better prices during recent times, the expansion of cotton

production in India will come about in the next few years.

PRODUCTION OF COTTON

In Quintals (000's)

	1929-30	1931-32	1932-33	1933-34
British India ...	9,513	7,303	8,448	9,017
U. S. A. ...	32,143	37,066	28,189	28,277
China ...	4,587	3,869	4,900	5,800
U. S. S. R. ...	2,773	3,997	3,900	4,100
Egypt ...	3,833	2,856	2,227	3,945
Brazil ...	1,264	1,208	754	1,023
N. America ...	32,143	37,066	28,189	28,287
Asia ...	14,850	11,890	13,900	15,410
S. America ...	2,360	2,200	1,730	2,090
Africa ...	4,720	3,920	3,290	5,110
World ...	57,500	59,700	51,400	55,700

WHEAT

Wheat is one of the few agricultural commodities of India which has no large international importance, for India's annual output of wheat is only a tenth of the total

world production and during recent years her exports have dwindled to practically nothing after having figured even as a positive importer of wheat from Australia. It is possible that on the completion of the Sukkur Barrage the export surplus now available, which may be estimated at 20 per cent. of the total production, may show a considerable expansion. But with the vast expansion effected by Russia and the tendency of the wheat importing countries to attain self-sufficiency in respect of their requirements, it seems more or less certain that India will never again figure as a large-scale exporter of wheat. It must be mentioned however that 1934-35 has shown a small improvement in exported and the import duty has been reduced in the Budget of 1935 in order to restore price parities. The following table shows the output of wheat in the principal wheat-producing countries of the world:—

PRODUCTION OF WHEAT.

In Quintals (000's)

Countries.	1929-30	1931-32	1932-33	1933-34
British India	87,299	94,553	91,688
U. S. A.	223,765	253,713	202,508
U. S. S. R.	188,778	...	202,500
France	91,786	71,882	90,771
Canada	82,878	87,452	120,583
Italy	70,795	66,520	75,367
Argentina	44,246	59,792	54,060
Australia	36,503	53,669	61,058
Germany	33,492	42,333	50,031
Roumania	27,148	36,823	15,115
Europe (excluding U. S. S. R.)	394,890	390,850	405,370
North America	306,643	341,165	323,091
Asia (excluding U. S. S. R.)	144,700	155,260	137,200
World (excluding U. S. S. R.)	983,500	1,053,400	1,043,900

The table reveals an upward trend in the output of wheat which may be expected to be kept up in the future. The following table gives the area and the output of wheat of the various provinces of India.

Provinces and states	Area		Yield		Area		Yield	
	1932-33	1931-32	1932-33	1931-32	1934-35*	1933-34	1934-35*	1933-34
	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
	acres	acres	tons	tons	acres	acres	tons	tons
Punjab (a) ...	9,927	10,392	3,255	3,152	10,532	11,292	3,578	3,253
United Provinces (a) ...	7,789	7,864	2,744	2,633	7,671	8,580	2,553	2,572
Central Provinces and Berar (a) ...	3,553	3,628	670	693	3,699	3,541	792	735
Bombay (a) ...	3,161	2,836	782	592	3,405	3,826	702	790
Bihar and Orissa ...	1,235	1,221	492	469	1,197	1,222	505	476
N. W. F. Province ...	1,012	1,014	237	250	985	1,041	254	241
Bengal ...	145	145	41	34	155	145	51	41
Delhi ...	42	41	11	9	34	46	12	18
Ajmer-Merwar ...	22	31	6	9	30	29	9	7
Central India ...	2,068	2,189	340	339	2,294	2,082	416	407
Gwalior ...	1,394	1,492	319	297	1,502	1,476	387	349
Rajputana ...	1,268	1,508	355	364	1,640	1,507	393	302
Hyderabad ...	1,301	1,367	168	161	1,259	1,201	156	149
Baroda ...	74	72	31	31	73	72	15	17
Mysore ...	3	3	1	1	2	2	0.5	1
Total ...	32,992	33,803	9,452	9,024	34,478	36,062	9,823.5	9,358

Note. (a) includes Indian states.

(b) Includes Sind and Indian States.

* Figures given in the Fourth Forecast.

It will be seen from the table above that the Punjab and the United Provinces are the largest producers of wheat in India, though the cultivation is also carried on in some of the States of Central India, in Bombay, Bihar and Orissa and even as far south as Mysore. But the greater part of the wheat produced in these provinces is retained for domestic consumption.

LINSEED

Linseed first gained the attention of the lay public when it came in for frequent reference in the discussions on the value or otherwise of the Ottawa Pact. But as an item in India's export trade, its importance was never negligible. Though its production was originally undertaken in India solely for the foreign market, a considerable internal consumption has developed during these years. This, together with a value of between one to five crores in our export trade, has increased the importance of linseed. And latterly, the preference granted to Indian linseed in the British market and the increase in India's export during 1933-34 have given for it an important place in the discussions on the Ottawa Pact. The Crop Planning Conference, which met last year, has specifically recommended an increase in the acreage under linseed, which is almost the only commodity for which the Conference recommended such a course. In regard to linseed, India does not, as in the case of rice or cotton, enjoy an important position as a producer. But she is a factor to reckon with in the export markets, inasmuch as the United States, which is one of the principal producers of linseed, does not figure as an exporter and utilises almost her entire production in internal consumption. Thus, Argentina and India are left in a straight fight in the export markets and their fortunes have undergone some vicissitudes.

It will be useful first to know the relative importance of the chief producers of linseed and the following table furnishes the necessary figures:—

	(in Quintals 000's omitted)			
	1929-30	1930-31	1931-32	1932-33
British India ...	3,271	3,831	4,227	4,095
Argentina ...	12,702	22,624	14,552	13,370
U. S. S. R. ...	7,128	...	...	...
U. S. A. ...	4,041	2,997	2,965	1,723
Asia ...	3,375	3,960	4,320	4,200
N. America ...	4,560	3,620	3,590	1,880
S. America ...	13,530	23,860	14,940	14,230
World ...	31,250	33,150	20,040	21,600

It will be seen that Argentina produces more than half the total world output of linseed and the importance of India in the export markets is derived from the fact that Indian linseed is superior in its oil-content ; and it must be added that the higher price resulting from this quality sometimes acts as an obstacle to an increase in the demand.

The distribution of acreage under linseed in India for 1930-31 may be understood from the following table:—

Assam ...	...	11,574
Bengal ...	...	116,300
Bihar and Orissa ...	...	653,700
Bombay ...	...	137,130
C. P. & Berar ...	...	738,509
Madras ...	...	4,294
Punjab ...	...	27,518
U. P. ...	...	309,531
Other Provinces ...	...	569
Total ...	...	1,999,125

The table shows at a glance that the Central Provinces and Berar occupy the pre-eminent position among the provinces of India as a producer of linseed and Bihar and Orissa as a good second, while the other provinces, excepting the United Provinces, are responsible only for very inconsiderable quantities. Though the United Provinces comes last of the three principal linseed-producing provinces, it leads in respect of the average yield of linseed per acre as her 500 lbs. compares with 492 lbs. in Bihar and Orissa and 212 lbs. in Central Provinces and Berar.

Linseed may be said to furnish one of the numerous examples of India's incapacity to take full advantage of an expanding world market. In the pre-war period, the total world export trade in linseed amounted to 1.4 million tons, of which Argentina exported 676,000 tons and only 367,000 tons fell to the share of India. During the last five years, the world exports of linseed have increased by 50 per cent., but Argentina captured the entire increase, and in 1931 India had only 5 per cent. of the total trade against 85 per cent. of Argentina. But, latterly, during the last two years, India's share has increased. The apparent decrease in Argentina's share, it must be said, is due largely to the failure of the linseed crop in that country in 1932-33 and 1933-34. And, one cannot, therefore, be certain that India has acquired an increase in competitive capacity. The distribution of India's exports of linseed among her principal foreign

customers may be seen from the following table:---

EXPORT OF LINSEED

Name of Countries	(in tons)					
	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
U. Kingdom ...	79,536	57,605	14,033	14,270	176,425	98,440
Germany ...	10,474	10,649	9,844	9,480	10,316	5,321
France ...	50,711	24,980	33,733	21,611	42,603	13,714
Italy ...	28,429	32,929	14,619	10,578	21,690	9,518
Australia ...	22,775	10,970	10,038	9,415	11,958	21,442
Other countries ...	56,237	119,666	38,011	6,796	114,836	109,921
Total ...	248,162	256,799	120,283	72,190	378,868	238,365

Linseed suffered from the trade depression equally with other export commodities. The total value of India's exports of linseed came down from 572 lakhs in 1929-30 to 91 lakhs in 1932-33. But in the year 1933-34, India's exports rose to 458 lakhs. As will be seen from the above table, by far the largest increase has been in the case of Great Britain. It will be remembered that under the Ottawa Pact, Britain accorded a preference of 10 per cent. to Indian linseed. And those who plead for the continuance of the Ottawa Pact or at least seek to establish its benefits to India in the past contend that but for this fact the advantage of such a marked increase in the value of our linseed exports would not have otherwise accrued to India. But it is significant in this context that not only Great Britain but nearly all her foreign customers

increased their off-take of Indian linseed, and that, in the face of this alround increase, it would be unscientific to set it down to the credit of Ottawa. The increase in India's exports of linseed must, therefore, be set down more to the failure of the Argentina crop than to the effect of the 10 per cent. preference in the British market. It may, however, be admitted that, in view of the phenomenal increase in our exports to the United Kingdom, India must exercise the greatest caution in taking any step calculated to give a set back to Indian linseed. One effect of the expansion of the internal consumption, to which reference has been made already, is the development of an export trade in linseed cake. The following table gives the volume and value of India's export of linseed cakes during the last three years.

EXPORT OF LINSEED CAKES

Name of countries	volume in Tons.		value Rupees.			
	1932-33	1933-34	1934-35	1932-33	1932-34	1934-35
U. Kingdom ...	55,010	39,321	39,778	40,62,980	25,88,875	22,57,715
Netherlands ...	11,455	6,060	2,110	7,64,682	4,49,060	1,54,477
Belgium ...	11,437	4,105	3,151	7,88,679	2,85,038	2,34,285
Other countries ...	3,845	1,358	2,493	2,49,325	91,817	1,57,672
Total ...	81,747	50,844	40,532	58,65,666	34,14,790	28,04,149

INDUSTRIAL SECTION :

THE INDIAN TARIFF BOARD

HISTORICAL SKETCH

The Indian Tariff Board is the natural result of the decision of the Government of India to change the fiscal policy and adopt a policy of Protection to be applied with discrimination. This decision was based on the findings of the Fiscal Commission that the industrial development of India had not been commensurate with the size of the country, its population and its natural resources and that the fullest development must be aimed at by a policy of judicious protection. The Fiscal Commission also laid down the guiding principles of such a policy and recommended that in its application the Government of India should be advised by a Tariff Board consisting of not less than three members conducting their enquiries under conditions of the utmost publicity. The Legislative Assembly accepted these recommendations in a resolution of February 16, 1923. And the Tariff Board was appointed in March, 1923, initially for one year as a measure of cautious experiment, and later, on the basis of a biennial renewal. Though the dissenting minute of a minority of the Fiscal Commission recommended that two of the three members of the Board should be elected by the non-official members of the Legislature and there should also be two assessors chosen from the commercial and mercantile community, the constitution of the Tariff Board which consists of three members, one of whom is a Government official has been found by experience to be not unsuited to the purpose. There has so far been no demand for any change in the constitution of the Board. And the Tariff Board continued to function till its break-up in July 1934, after its completion of the iron and steel enquiry.

The procedure in the case of a Tariff Board enquiry is very simple. The industry concerned applies to the Government making a *prima facie* case for protection ; and if and when the Government think it fit the application is referred to the Tariff

Board for enquiry and report. As recommended by the Fiscal Commission, conditions of the utmost publicity are ensured though, of course, proceedings *in camera* are resorted to, when the evidence tendered is of such a nature that its publication will involve the divulging of trade secrets. The interests concerned and public bodies like the various commercial associations submit their memoranda supplemented, where necessary, by oral evidence. The report is to be submitted to the Government ; and on its acceptance by Government, the desired changes are effected by the normal processes of legislation. The Tariff Board is of necessity an advisory body, the final decision resting with the Government and the Legislature.

The first task of the Tariff Board in reference to any application is, as required by the Fiscal Commission, to assure itself that the industry satisfies the fundamental conditions necessary for a grant of Protection, namely, (1) that the industry possesses natural advantages, (2) that without the help of protection it is not likely to develop at all or not so rapidly as is desirable and (3) that it will eventually be able to face world competition without protection.

The rationale of the above conditions is obvious. Taken together they mean that, except in the case of industries which are essential for national defence and are therefore outside the pale of ordinary economic considerations, protection should be recommended only if the Board is sure it is not an avoidable or permanent burden on the consumer. This is in consonance with the principles of Free Trade which may be regarded as the permanent economic rule with protection as a mere temporary exception. Every report of the Tariff Board may be deemed to fall into two parts one showing whether the fundamental conditions are satisfied and the other detailing the specific scheme of Protection, and the reasons why the alternative methods are ruled out.

It is appropriate to attempt a short analysis of the work of the Tariff Board during the last nine years. The Board has so far undertaken and accomplished about 50 enquiries. Of these, in only one or two cases has its recommendations failed to meet with the acceptance of the Government. Wire and wire nails, which was one such, subsequently gained the protection it sought. In the other instance of the heavy chemicals industry, the publication of the report was delayed for two years after its submission to Government, after which it was granted tentatively a somewhat grudging measure of protection. In eight instances, the applications were turned down by the Tariff Board; and the Government acquiesced in its decision. In the case of magnesium chloride, coal and printers' ink, it was held that the case for protection was not established, though the latter gained a slight increase in the import duty. Cement failed to procure State help as it was found that what the industry suffered from was not the competition of foreign producers, but a state of overproduction at home, a position which it was for the industry to adjust as soon and as well as possible. The most outstanding instance in this category of rejected applications is that of oil, in which not only were the producing interests unable to establish a case for protection but a certain section of them was found to be unwilling to place the full facts before the Board.

There were four cases in which import duties on raw materials needed for Indian industries were either reduced or removed. In all the other cases, the applications have resulted in the grant of a substantial measure of protection. But the chief beneficiaries of the activities of the Tariff Board have been the cotton mill industry and the iron and steel industry. Latterly, matches, salt and sugar have come in for a substantial help by way of protection. But nearly ten enquiries have been conducted by the Tariff Board in regard to articles which are closely connected with the iron and steel industry. The cotton industry has been referred to it twice, not including the occasion in which the condition and needs of the cotton industry were the subject of an *ad hoc* enquiry by Mr. Hardy, the Collector of Customs. While the help rendered to the cotton industry has been in the shape of an increase in the duty on imported yarn and piece-goods, the iron and steel industry has had all manner of help ranging from a change in the tariff to direct bounties doled out

by the State.. It would be unnecessary to detail the various steps taken to strengthen the iron and steel industry, as they are given in the table appended to this article.

After the lapse of more than a decade, one feels tempted to take a comprehensive view of the work of the Tariff Board during this period, and to appraise *in toto* the benefits of the regime of discriminative protection and to enquire whether the constitution and functions of the Tariff Board leave any room for improvement. The task of estimating the value of discriminative protection has been attempted now and again both by businessmen interested in particular industries and by disinterested economists. An appreciation of the difficulties of the task and the practical value of its accomplishments to the economic policy of the future would suggest that its importance has been somewhat exaggerated. The virtual death of international trade and the passing of the age of free trade and the well-nigh universal adoption of economic nationalism preclude the possibility of India abandoning discriminating protection after a trial of more than ten years. Broadly speaking, the test of success of a protectionist policy is expansion of productive activity at home and the progress which the protected industries are able to make in the reduction of costs, and the attainments of economies which were mainly to be effected under the shelter of the protectionist duties. If these are the two principle criteria of success one can say confidently that the policy of discriminative protection has been amply justified by its results. For as mentioned already, the chief beneficiaries of the policy of discriminating protection are the cotton mill industry and the iron and steel industry. To this has now to be added sugar because of its being a prime necessity and having an equally important place both in the agricultural and industrial life of the country.

No one can deny that all these three industries have, on the whole, made good use of the advantages conferred on them by the State. The cotton mill industry is much older than the policy of discriminating protection. And one would expect that the additional advantage of protection would enable the industry to outgrow the need for these much sooner than other industries. The charge that the cotton mill industry has shown the utmost inefficiency has been repeatedly made before the Tariff Board and in the press. The 1932 report of the Tariff

Board on the cotton mill industry shows clearly that there are numerous mills in the country and particularly in Ahmedabad which can produce goods of high quality and market them successfully in un-aided competition with Lancashire. But for the rapid progress made by the Japanese mills, their low cost of production and, last but not least, their questionable methods of competition, the cotton mill industry would not have to figure as largely in our protectionist programme as it has to. As for the iron and steel industry, the poor measure of protection accorded to the industry has been practically scrapped by the 1934 report of the Tariff Board. Not only have the protective duties been withdrawn in most cases, but the Tariff Board has actually recommended the abolishing of revenue duties to which advantage a national industry is entitled even under a scheme of fanatic free trade. In this instance, the Continental Steel Industry plays about the same part as Japan plays in the case of the cotton mill industry. But it is the considered opinion of the Tariff Board that if the Continental manufacturers would charge fully economic prices for the products then the iron and steel industry would have no reason to fight shy of an open competition with them in the Indian markets. As compared with the British industry the Indian is now believed to be able to forego the advantage of revenue duties. Though the abolition of revenue duties proposed in the Iron and Steel Duties Bill is manifestly unfair to the Indian industry and is not without grave risks to the welfare of the Tata Iron and Steel Company, the findings of the Tariff Board leave no room for doubt that protection in the iron and steel industry has been hundred per cent. successful. The sugar industry has had a short period of intensive protection. Within a year of the inauguration of protection for sugar it was clear that in this instance protection had led to abnormal

expansion of sugar industry in India. The sugar technologist of the Government broadcast the view that there had been an almost unhealthy expansion and it was in the interest of the industry to put a curb on such expansion. The Government of India also found that the import duty on sugar comprising as it did, both the protective duty recommended by the Tariff Board and the revenue surcharge, was so effective in checking the imports of sugar from abroad that the Government's expectations of revenue from this source were not realised. So in the last quarter of 1933-34 Sir George Schuster came to the conclusion that in the interest both of the industry and the revenue of the Government, it would be advisable to levy an excise duty on sugar, leaving the net amount of protection at the level recommended by the Board, so that it will be seen that protection has been successful in not only bringing the sugar industry into existence but also in inducing its vast expansion within a very short period. Thus, judged by the record of the big staple industries, discriminative protection has already much to its credit.

There is then the question of the constitution and the function of the Tariff Board. It may be said that though the dissenting minute of a minority of the Fiscal Commission recommended that two of the three members should be elected by the non-officials of the legislature, and that there should also be two assessors chosen from the commercial and mercantile community, the constitution of the Tariff Board, consisting of three members one of whom is a Government official has been found by experience to be quite suited to the purpose. There has so far been no demand for any change in the constitution of the Board. And as it has functioned for a period of ten years without a break, it has come to be regarded as part of the prominent machinery of Government.

TABULAR STATEMENT SHOWING THE WORKING OF THE TARIFF BOARD.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government														
1	2	3	4	5	6														
1.	July 10, 1923.	President: G. Rainy. Members: P. P. Ginwala, V. G. Kale.	Steel Industry.	<p>ROLLED STEEL INDUSTRY</p> <p>Specific duties of varying amount were recommended on different kinds of rolled steel as under—</p> <table><tr><th></th><th>Rs. per ton.</th></tr><tr><td>Structural shapes, <i>i.e.</i>, beams, angles, channels, etc. ...</td><td>30</td></tr><tr><td>Ship, tank and bridge plates ...</td><td>30</td></tr><tr><td>Common merchant bars and rods ...</td><td>40</td></tr><tr><td>Light rails (under 30 lbs.) ...</td><td>40</td></tr><tr><td>Black sheets, whether plain or corrugated ...</td><td>30</td></tr><tr><td>Galvanized sheets, whether plain or corrugated ...</td><td>45</td></tr></table> <p>WROUGHT IRON.</p> <p>Angles, channels ... 20</p> <p>Common bars ... 35</p> <p>A sliding scale of bounties was recommended on the manufacture of medium and heavy rails and fish-plates and the conversion of the existing <i>ad valorem</i> duty into a specific duty of Rs. 14 a ton was also advocated.</p> <p>ENGINEERING INDUSTRY.</p> <p>25 per cent. <i>ad valorem</i> duty on fabricated steel generally, but excluding (a) steamers, launches, barges, flats, boats and other vessels, and (b) all vehicles except colliery tubs and tipping wagons.</p> <p>25 per cent. <i>ad valorem</i> on switches and crossings.</p> <p>Specific duty of Rs. 40 a ton on spikes and tie bars.</p> <p>WAGON BUILDING INDUSTRY</p> <p>A sliding scale of bounties was recommended subject to a maximum cost of Rs. 7 lakhs to the State.</p>		Rs. per ton.	Structural shapes, <i>i.e.</i> , beams, angles, channels, etc. ...	30	Ship, tank and bridge plates ...	30	Common merchant bars and rods ...	40	Light rails (under 30 lbs.) ...	40	Black sheets, whether plain or corrugated ...	30	Galvanized sheets, whether plain or corrugated ...	45	<p>The Steel Industry (Protection) Act, 1924, was passed at a special session of the Central Legislature embodying all the recommendations of the Tariff Board except the one regarding Agricultural Implements.</p> <p>The Act received the assent of the Governor-General on 13th June, 1924.</p>
	Rs. per ton.																		
Structural shapes, <i>i.e.</i> , beams, angles, channels, etc. ...	30																		
Ship, tank and bridge plates ...	30																		
Common merchant bars and rods ...	40																		
Light rails (under 30 lbs.) ...	40																		
Black sheets, whether plain or corrugated ...	30																		
Galvanized sheets, whether plain or corrugated ...	45																		

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
				TINPLATE INDUSTRY. A specific duty of Rs. 60 per ton. WIRE AND WIRE NAIL INDUSTRY. A specific duty of Rs. 60 per ton on all wire except barbed and stranded fencing wire which would continue to be subject to 10 per cent. <i>ad valorem</i> . A specific duty of Rs. 60 per ton on wire nails. AGRICULTURAL IMPLEMENTS. The <i>ad valorem</i> duty to be raised to 25 per cent. on picks, powrahs or kodalis and hoes. LOCOMOTIVE BUILDING INDUSTRY. Protection not recommended. STEEL CASTINGS. No specific recommendation was made. ENAMELLED WARE INDUSTRY. No recommendation was made.	
2.	Oct. 5, 1923.	President: G. Rainy. Members: P. P. Ginwala, V. G. Kale.	Sulphur.	The Board recommended that the import duty on all kinds of sulphur be removed.	Duty removed with effect from 9th June, 1924.
3.	April 10, 1924.	Do.	Paper and Paper Pulp Industries.	The Board recommended a specific duty of one anna a lb. on all writing paper and on all printing paper other than newsprint containing 65 per cent. or more of mechanical pulp. They also recommended that Government should assist the industry by an advance of capital to the extent of not more than Rs. 10 lakhs to the India Paper Pulp Company from their own resources or by the guarantee, in respect of both principal and interest, of a public issue of debentures in order that the possi-	The Bamboo Paper Industry (Protection) Act, 1923, was passed in September embodying the proposals of the Board regarding the duty but not the financial assistance, in lieu of which, the period of protection recommended, by the Board was enhanced by 2 years, i.e., from 5 to 7 years.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				<p>bilities of manufacture of paper by the sulphite process might be fully explored.</p> <p>The Carnatic Paper Mills which intended to make paper from bamboo by the Soda process might also be assisted with capital in the same manner as the India Paper Pulp Company provided the technical advisers of the Government of India were satisfied that the scheme had reasonable prospects of success.</p>	
4.	April 10, 1924.	<p>President: G. Rainy. Members: P. P. Ginwala, V. G. Kale.</p>	Printer's Ink Industry.	<p>The Board was of the opinion that an increase in the Custom's duty on imported printer's ink from 2½ to 5 per cent. <i>ad valorem</i> would meet the case.</p>	Government accepted the proposal.
5.	April 10, 1924.	Do.	Magnesium Chloride Industry.	<p>In the considered opinion of the Board, the claim to protection was not held to be made good.</p>	Government agreed with the Board's conclusion.
6.	April 10, 1924.	Do.	Cement Industry.	<p>The main conclusions of the Tariff Board were—</p> <p>(1) The cement industry in India possessed natural advantages in an abundant supply of all raw materials and was at no disadvantage in regard to labour.</p> <p>(2) Though the consumption of cement in India had grown with great rapidity, it had not kept pace with production which had increased considerably.</p> <p>(3) The price of cement in India was unremunerative which was due entirely to internal competition.</p> <p>(4) The industry was in virtual possession of the up-country market over a large part of India which was small compared to the demand in the ports.</p> <p>(5) Four-fifths of imports came from U. K. Consumers would not purchase Indian cement unless the price was markedly lower.</p>	<p>The Governor-General-in-Council was satisfied that there was no justification for the intervention of Government and therefore did not propose to take any action on the Report.</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				<p>(6) Cement produced in India was generally of very good quality.</p> <p>(7) Notwithstanding the remoteness of the Indian cement works both from coalfields and from the ports, the industry would eventually be able to meet world competition at the ports without special assistance.</p> <p>(8) The difference in price at which Indian cement was likely to displace British was estimated to be Rs. 8 a ton in Bombay and Rs. 12 in Calcutta.</p> <p>(9) It was considered desirable that assistance should take the form of bounties which would be payable on cement consigned to and <i>via</i> the four great ports and their adjacent areas.</p> <p>(10) The 15 per cent. <i>ad valorem</i> duty should be converted into a specific duty of Rs. 9 and declared prohibitive.</p> <p>(11) Two schemes having different scales of bounties were drawn up, but whichever scheme was adopted, it should not come into force until the Government of India were satisfied that the price of Indian cement in the ports was in such a relation to the price of imported cement that the payment of bounties would not lead to a reduction in the price of Indian cement.</p>	
7.	Oct. 8, 1924.	<p>President: G. Rainy.</p> <p>Members: P. P. Ginwala, V. G. Kale.</p>	Steel Industry (urgent enquiry).	<p>As a result mainly of a heavy fall in the sterling prices of Continental steel and of the maintenance of exchange in the neighbourhood of 1s. 6d., the Board definitely held that the Steel Industry (Protection) Act had so far failed to achieve its purpose and recommended heavy increases on fabricated articles, which were as follows:</p>	<p>Government accepted the finding of the Board that the protection given by the Act had been insufficient and that further protection was necessary, but in view of the fact that the recent duties had brought in more revenue than was anticipated and also in view of the fact that the imposition of further duties would entail a burden</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
			Class of material.	Duty as per Duty proposed.	
			UNFABRICATED IRON & STEEL.		
			Steel bars ...	40	75
			Iron bars ...	35	65
			Steel structural sections ...	30	65
			Iron structural sections ...	20	50
			Plates ...	30	55
			Black sheet ...	30	52
			Galvanised sheet ...	45	78
			Tinplate ...	60	104
			Rails and fish-plates, medium and heavy ...	14	30
			Rails and fish-plates, light ...	40	75
			FABRICATED IRON AND STEEL MISCELLANEOUS.		
			Fabricated structures ...	25% <i>ad valorem</i> .	25% <i>ad valorem</i> . plus Rs. 60 per ton.
			Coal tubs, etc., and built up tubs ...	25	25% <i>ad valorem</i> . plus Rs. 47 per ton.
			Fabricated steel beams, channels, angles, etc. ...	25	25% <i>ad valorem</i> . plus Rs. 54 per ton.
			Fabricated iron, angles, etc. ...	15	15% <i>ad valorem</i> . plus Rs. 44 per ton.
			Fabricated plates ...	25	25% <i>ad valorem</i> . plus Rs. 41 per ton.
			Fabricated sheets ...	15	15% <i>ad valorem</i> . plus Rs. 40 per ton.
			Spikes and tie bars ...	Rs. 40 per ton	Rs. 75 per ton.
			Switches and crossings ...	25% <i>ad valorem</i> .	plus Rs. 35 per ton.
			Wire nails ...	Rs. 60 per ton	Rs. 90 per ton.
8.	June 18, 1925.	President: G. Rainy. Members: J. Matthai.	Steel Industry. The main recommendations of the Board were as follows:— (1) Payment of a bounty at the rate of Rs. 18 per ton on 70 per cent. of the weight of steel ingots produced in India between 1st October, 1925, and	A Resolution was adopted in the Legislative Assembly in September which provided: (1) a bounty of Rs. 12 per ton on 70 per cent. of the total weight of ingots made in each month: the total amount for the 6 months ending 31st	on the consumer out of proportion to the benefit derived by the industry, they thought that a bounty of Rs. 20 per ton on 70 per cent. of the total weight of steel ingot subject to a maximum of Rs. 50 lakhs would meet the needs of the case. The bounty was given from 1st October, 1924 to 30th September, 1925. The proposal of Government to grant bounties was warmly approved by the Board.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board	Action taken by Government
1	2	3	4	5	6
				31st March 1927, subject to a limit of Rs. 90 lakhs.	March, 1926, to be Rs. 18½ lakhs and for the year ending 31st March, 1927, Rs. 41½ lakhs.
				(2) Grant of rebate to the Tinplate Company of the Customs duty paid by them on tin imported for the manufacture of tinplate.	(2) Bill No. 29 of 1928 amended the Steel Industry (Protection) Act of 1924 and provided for (a) bounties to the extent of Rs. 13,60,000 on iron or steel wagons ordered during the financial year commencing on 1st April 1924; (b) bounties to the extent of Rs. 19,40,000 on iron or steel wagons and on railway carriage underframes ordered after 31st March 1925 and before the 1st April 1927.
				(3) Raising of protective duty on imported tinplate from Rs. 60 to Rs. 89 per ton.	
				(4) Protective duty on fabricated steel other than the kinds specified under other heads from 25 to 32½ per cent. <i>ad valorem</i> .	
				(5) Protective duty on such component parts of steamers, launches and other vessels for harbour and inland navigation as are made of fabricated steel to remain at 25 per cent. <i>ad valorem</i> .	
				(6) Imposition of a duty of 40 per cent. <i>ad valorem</i> on tipping wagons, coal tubs, and switches of the Steel Industry (Protection) Act to empower the Government of India to sanction the payment of bounties on railway wagons and carriage underframes subject to a maximum limit of Rs. 24 lakhs in 1925-26 and Rs. 20 lakhs in 1926-27.	Resolution adopted in the Legislative Assembly, 17th February, 1926, was to the effect that supplementary assistance should be given to the tinplate industry in India (a) by increasing from Rs. 60 to Rs. 85 per ton the specific protective duty on all steel tinplates and tinned sheets including tin taggers and (b) by reducing the duty on tin, block, from 15 per cent. <i>ad valorem</i> to a specific duty of Rs. 250 a ton.
				(8) Cessation of payment under section 4 of the Steel Industry (Protection) Act of bounties on railway wagons with effect from 1st April, 1926.	
				(9) A public announcement to be made of all bounties sanctioned on wagons and underframes.	
9.	March 28, 1925.	President: G. Rainy. Members: P. P. Ginwala, J. Matthal.		SHIPBUILDING INDUSTRY. The Board recommended that the duty on the fabricated steel parts of ships and other inland vessels should be fixed at 10 per cent. but subject to the proviso that the duty was in no case less than Rs. 35 a ton.	Government accepted this finding of the Tariff Board but postponed legislation in regard to import duty on ships and other vessels for inland and harbour navigation till the results of the Statutory enquiry into iron and

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					steel industry were known. In the meanwhile Government gave exemption to iron and steel in ships and other vessels imported for inland and harbour navigation from so much of the protective duties as was in excess of 10 per cent. <i>ad valorem</i> or Rs. 38 per ton whichever was higher. By the Steel Industry (Protection) Act, 1927, this compensation was reduced to Rs. 23 per ton.
10.	March 28, 1925.	<i>President:</i> G. Rainy. <i>Member:</i> J. Matthai.	Removal of import duty on spelter and enhancement of duty on imported galvanized hardware.	No recommendation was made for the imposition of a protective duty on imported galvanized hardware, but it was suggested that the revenue duty on imported zinc and spelter of all kinds should be removed.	On 3rd July, 1928, Government issued a resolution that the recommendation for removing import duty on spelter should be considered at the time of the next budget and in connection with further protection for Steel industry in 1927. Government accepted the Board's finding in regard to the non-imposition of a protective duty on imported galvanized iron ware.
11.	June 18, 1925.	<i>President:</i> G. Rainy. <i>Members:</i> P. P. Ginnwala, J. Matthai.	Wire and Wire Nail Industry.	The Board had no proposals to make for the grant of supplementary protection, but thought that the handicap under which the industry suffered should be removed. Therefore they suggested that the Wire Company should be permitted to import wire rod subject only to a duty of 10 per cent. until 31st March, 1927. No case was made out for protecting the manufacture of nails as a separate industry using imported materials. Nor should any special concession be given to Messrs. Halley Brothers in respect of their manufacture of hickies.	Government accepted the findings of the Tariff Board.
12.	Sept. 30, 1925.	<i>President:</i> G. Rainy. <i>Members:</i> P. P. Ginnwala, J. Matthai.	Coal Industry.	Majority and Minority Reports—both held that the case for a protective duty on all imported coal was not established. The Minority report, however, was for the imposition of a countervailing duty	The Government of India accepted the unanimous finding of the Board that the case for a protective duty on all imported coal had not been established. They also accepted the finding

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of the majority report that the imposition of a countervailing duty on South African coal was not advisable though justified on facts, reported by the Board.

ROLLED STEEL INDUSTRY.

13.	April 3, 1928.	<p><i>President:</i> P. P. Ginwala,</p> <p><i>Members:</i> A. E. Mathias, J. Matthal.</p>	<p>Steel Industry (Statutory enquiry).</p>	<p>After reviewing the policy of protection, the Board expressed the view that the payment of bounties should no longer form part of the scheme of protection. As competition in certain products came almost entirely from U. K. and in others from U. K. and the Continent and as it was probable that the future prices would be fairly stable in the former and not in the latter, two scales of duties were proposed (i) basic duties fixed with reference to the price of British steel and applicable to all countries and (ii) additional duties based on the margin between British and Continental prices and applicable to non-British steel on the ground that they would best serve the interests of the country from all points of view. Anti-dumping duties were considered to be impracticable. By 1933-34, it was felt that the Indian industry should be able to meet British competition without assistance but not the competition from the Continent. The basic duties should remain in force for the whole period of seven years, whereas the additional duties might be altered according to the needs and requirements of the situation. The scheme of protection was not only adequate for the existing industry but also afforded scope for expansion. The scales of duties recommended involved a distinctly smaller amount of protection, but the low level of duties was justifiable only if the Government arranged to purchase the whole of their requirements of rails so</p>	<p>The Steel Industry (Protection) Act, 1927, was passed extending protection to the industry till 1933-34 and giving power to the Governor-General in Council to increase the duties if protection was rendered ineffective by any change in the price of imported steel. All the Board's recommendations were accepted by Government.</p>
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far as they could be purchased in India.

The Board were strongly of the opinion that power should be taken by the Governor-General-in-Council to ensure that proper provision for depreciation was made from time to time.

FABRICATED STEEL.

The Board considered it essential in the interest of the Indian industry that railways should encourage the use of Indian structural steel by revising the designs for bridges and other structures so as to permit of the utilization of the maximum amount of steel manufactured in India.

As a result of the recommendations to a certain extent regarding the duties required on rolled steel, it was proposed that in place of the 25 per cent. *ad valorem* duty on fabricated steel, the basic duty should be 17 per cent. *ad valorem* and that an additional duty of Rs. 13 per ton should be imposed on fabricated steel imported from elsewhere than the United Kingdom.

The duties proposed were as follows :—

Product.	Basic Duty.	Additional Duty.
	Rs. per ton.	Rs. per ton.

Rails 30 lbs. per yd. and over ...	13	...
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Fishplates for above.	Revenue duty (minimum Rs. 6 per ton)	
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Structural sections (including wrought iron)	19	11
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Product. Basic Duty. Additional Duty.
Rs. per ton. Rs. per ton.

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Bar and rod (including wrought iron) spikes and tiebars, rails under 30 lbs. per yard and fishplates for same ... 26 11
Plates ... 20 16
Ordinary sheets ... 35 24
Galvanised sheets ... 38 ...
Steel sleepers ... 10 ...
Fabricated steel structure ... 17% *ad valorem* 13 (minimum Rs. 22 per ton.)
Coal tubs and tipping wagons Ditto. 13

TINPLATE INDUSTRY.

The Board recommended a reduction of the duty from Rs. 85 to Rs. 48 per ton.

They were unable to support the claim that varieties of tinplate not manufactured in India should be exempt from the protective duty. From the economic point of view, discrimination in favour of Wales could not be made since it was with Welsh tinplate that the Indian product had mainly to compete.

The period of protection was fixed at seven years.

AGRICULTURAL IMPLEMENTS.

No recommendation was made because the application for protection was withdrawn.

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14.	April 3, 1928.	President: A. E. Mathias. Member: J. Matthai.	Wagon Industry.	<p>WAGONS AND UNDERFRAMES.</p> <p>Under the stimulus of the bounty scheme which had been in force, the Wagon industry had made great progress and was now in a position to meet a large proportion of the normal demand. As a consequence of the reduction in the cost of raw material but largely of the decrease in costs resulting from large orders for a few standard types of wagons, the wagon manufacturers were able to meet foreign competition with the help of revenue duty only. The restriction in the demand for wagons had put the industry in a difficult position. Until the demand reached a total of 5,000 in terms of C-2 wagons, all orders should be placed in India by competitive tender from Indian manufacturers.</p> <p>COMPONENT PARTS: FORGINGS, STEEL CASTINGS AND SPRING STEEL, BOLTS AND NUTS.</p>	Government accepted the findings of the Board.

(i) *Forgings.*

The manufacture of forgings should be regarded at present as merely a process incidental to the construction of wagons and not as a separate industry. When the demand became normal the same duty should be imposed on imported forgings as on wagons and underframes.

During the next few years, orders for forgings should continue to be placed in India as far as possible and in comparing Indian with foreign prices an allowance of 2½ per cent. above the revenue duty should be made.

(ii) *Steel Castings and Spring Steel.*

The annual demand for steel castings was sufficient to permit of an economic output. Therefore the Board considered

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				that a good case had been made out for protection.	
				<p>The best and most economical method of extending help to the industry being by means of a bounty, the Board recommended the payment of a bounty of Rs. 2-8-0 per cwt. to the Hukmchand Electric Steel Works on all steel castings for railway wagons, underframes and locomotives, subject to a maximum of Rs. 1,80,000 during the period October 1st, 1927, to September 30th, 1930, no restriction being placed upon the amount to be paid in any one year.</p> <p>The Board had no recommendations to make in respect of spring steel.</p>	
				(iii) Bolts and Nuts.	
				<p>The Board recommended a specific duty of Rs. 2 per cwt. on all bolts and nuts falling under Article 61 of the Statutory Tariff Schedule.</p>	
				WIRE AND WIRE NAIL.	
				<p>As wire rod for the manufacture of wire and wire nails would not be produced for another three years, the industry failed to qualify for protection. Therefore, the protective duty on wire and wire nails should be discontinued.</p>	
				<p>Tariff Board recommended the continuance of the duty of Rs. 1-8-0 per gross without limit to the period of duration and that the duty should be made protective.</p>	
				<p>The conditions laid down by the Fiscal Commission were fulfilled.</p>	
15.	Oct. 2, 1926.	<p>President: P. P. Ginwala. Members: A. H. Mathias J. Matthai.</p>	Match Industry.		<p>Government of India accepted the findings of the Board that the Match Industry fulfilled the conditions laid down by the Fiscal Commission. Government agreed with the recommendation of the Tariff Board and imposed by the Match Industry (Protection) Act, 1928, a protective</p>

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16.	May 26, 1927.	<p><i>President:</i> A. E. Mathias.</p> <p><i>Member:</i> J. Matthesi.</p>	<p>Plywood and Tea Chest Industry.</p> <p>The findings and proposals of the Board were as follows :—</p> <p>All the raw materials for the manufacture of plywood and of tea chests were available in India. The other conditions of the Fiscal Commission were also satisfied. It did not however appear that the manufacture of plywood products other than tea chests required any assistance.</p> <p>Owing to severe competition from imported tea chests, there was a danger of the local factories being forced to suspend manufacture unless assistance was given.</p> <p>The measure of protection considered necessary was 9 annas 10.6 pies which would be subject to slight further adjustment.</p> <p>The present import duty on all plywood articles other than tea chests and rubber boxes should remain unchanged.</p> <p>The duty on fittings of tea chests and rubber boxes and the linings of tea chests should remain unchanged.</p> <p>The import duty on plywood panels and battens of tea chests should be abolished.</p> <p>A specific export duty of 6 annas 6 pies per 100 lbs. of tea exported in foreign chests should be imposed.</p>		<p>duty of Rs. 1-8-0 per gross on imported matches without any time limit. Government also accepted the finding that in the circumstances no action was called for against the Swedish Match Company on the ground of unfair competition. Government noted the Board's recommendation that, should developments indicate that the Company was acquiring undue control to the detriment of Indian industry, they should take steps so safeguard the industry.</p> <p>Government accepted the findings of the Board, but they were unable to approve that protection should be given by an export duty. They decided to impose a duty of 30% on all forms of plywood and on the battens and corner pieces of plywood chests, and abolish the drawback.</p>

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21.	March 28, 1926.	President: P. P. Ghuwala. Member: J. Matthalai.	4 Tariff equality in respect of the manufacture of Manila Rope.	5 On grounds of principle as well as of administrative convenience, the Board thought that there was a good case for removing the duty on manilla hemp.	6 On 8th June, 1929, Government issued a resolution accepting the principle but proposed to give effect to it when financial conditions permitted. In July 1930, a duty of 15% on a Tariff Valuation of Rs. 30 per cwt. on raw hemp was imposed. Government adopted the Board's view.
22.	May 19, 1927.	President: A. E. Mathias, Member: J. Matthalai.	Changes in the Tariff entries regarding printing paper.	The Board's view was that the percentage of mechanical wood pulp should be calculated on the fibre content of the paper. Newsprint and not on the total weight.	Government accepted the recommendations about 90 lb. rails and as regards 115 lb. rails an addition of Rs. 10 over and above the price of 90 lb. rails.
23.	Dec. 1, 1930.	Do.	Steel rails.	The Board considered that a price of Rs. 130 per ton of 90 lb. rails was not too high and that an addition of Rs. 7 should be made to the price of Rs. 130 for 115 lb. rails.	Government accepted the recommendations.
24.	May 15, 1930.	Do.	Tariff equality and protection for railway materials of 8 in number.	The recommendations were that a specific duty of Rs. 2-4-0 should be levied on fishbolts and nuts, ordinary bolts and nuts and dogspikes and a duty of Rs. 2 on rivets and gibs, cotters and keys per cwt. As regards chrome steel switches and crossings and stretcher bars, the exemption provided for in the Statutory Schedule should be removed and they should be made liable to the protective duty. But in regard to bearing plates, no action was called for.	Government accepted the recommendations.
25.	Sept. 30, 1930.	President: A. E. Mathias. Member: J. Matthalai.	Additional protection for galvanized sheets.	It was the opinion of the Board that the Tata Company had made genuine effort to secure the results which were considered feasible. Lack of progress was due to causes beyond the control of the Company, viz., strike and fall in rail orders on which hinged the scheme of protection. Thus the whole balance of the scheme was destroyed and it was of the utmost importance to find a fresh outlet for the ingot steel.	Government accepted the Board's finding and in Jan. 1931, the Assembly passed a resolution recommending the continuance of the duties mentioned in Government resolution up to 31st March, 1930.

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				Of this sum 4½ annas per 100 lbs. of tea might be made over to the Indian Cess Committee and the Cess leviable be reduced by 3 annas per 100 lbs. of tea. The period of protection should be fixed at 5 years.	
17.	March 26, 1928.	<i>President:</i> P. P. Ginwala. <i>Member:</i> J. Matthai.	Oil Industry.	Both the majority and minority reports held that no case for the protection of oil industry was established, and therefore no action was called for.	Government of India agreed with the Board that no action need be taken for the time being.
18.	March 28, 1925.	<i>President:</i> P. P. Ginwala, <i>Member:</i> J. Matthai.	Manufacture of electric wares and cables.	The tariff proposals of the Board were that the duty on electrolytic copper rod known as "black rod" be removed and that a duty of 5 per cent. be imposed on rubber insulated electrical wires and cables other than those specified in Article 90A.	Government accepted only the proposal regarding the duty on rubber insulated wires and cables.
19.	Do.	<i>President:</i> A. E. Mathias. <i>Member:</i> J. Matthai.	Tariff equality in respect of the manufacture of camel hair, cotton and canvas ply belting.	<p>COTTON BELTING.</p> <p>The 15 per cent. <i>ad valorem</i> duty on imported black proofing should be abolished and a duty of 5 per cent. <i>ad valorem</i> should be imposed on imported cotton belting.</p> <p>HAIR BELTING.</p> <p>The 15 per cent. <i>ad valorem</i> duty on imported black proofing should be abolished and the duty on imported camel hair yarn should be reduced from 15 per cent. to 6 per cent. <i>ad valorem</i> and a duty of 5 per cent. <i>ad valorem</i> should be imposed on imported hair belting.</p> <p>CANVAS PLY BELTING.</p> <p>A duty of 5 per cent. <i>ad valorem</i> should be imposed on imported ply belting.</p>	<p>Government did not accept the Board's proposal to remove the duty on black proofing, but they agreed that the duty on cotton, camel hair and canvas ply belting should be increased. They also decided that the duty on imported camel hair yarn should be reduced from 15 per cent. to 5 per cent.</p> <p>Government accepted the proposal and made the necessary alterations in the Act.</p>
20.	Do.	<i>President:</i> A. E. Mathias. <i>Member:</i> J. Matthai.	Tariff equality in respect of the manufacture of printing type.	The Board recommended that a specific duty of one anna per doz. should be levied on printing type in place of the existing duty of 2½% <i>ad valorem</i> .	

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				From that point of view the maintenance of or even an increase in the output of galvanized sheets became a pressing necessity and the Board recommended that the industry should be assisted by the imposition of an additional duty of Rs. 37 per ton under section 2 (1) of the Steel Industry (Protection) Act III of 1927 for the remainder of the protective period.	
26.	March 28, 1925.	<i>President:</i> P. P. Ginzwa. <i>Members:</i> A. E. Mathias, J. Matthal.	Removal of the revenue duty on pig iron.	The Board's conclusion was that no case had been made out upon which they could base any recommendations for the removal of the revenue duty on pig iron. In their opinion, no serious harm would be done to any consumer if the duty was retained until the statutory enquiry in 1933-34.	In their resolution dated 13th June, 1930, Government accepted the Board's finding.
27.	June 10, 1926.	<i>President:</i> F. Noyce. <i>Members:</i> Rai Bahadur Harikissen Kaul, N. S. Subba Rao.	Cotton Textile Industry.	The main conclusions of both the majority and the minority reports were as follows :— The most striking feature in the history of the industry from 1899 to 1922 was the expansion in every direction, especially in weaving. Other important features to be noted are the loss of the export trade to Japan, decreasing dominance of Bombay and increasing share of Japan in the import trade. The depression was felt more in Bombay than elsewhere and therefore the demand for protection was more insistent in that centre. The altered relation between agrarian and general prices since 1920 contributed greatly to the depression. The course of American prices was also equally a contributory factor. The competition of Japanese yarn affected adversely the prices of Indian yarn. In cloths of lower counts, on the other hand, the Indian mills were able to hold their own. The same thing could not	On 7th June, 1927, the Government of India issued a Resolution disagreeing with the recommendation of both the majority and the minority reports about the additional duty. They also rejected the proposal for a bounty on the spinning of finer counts 32s. and higher. And they said they were unable to express any opinion until they had ascertained the views of the local Government and of the Cotton Mill Industry in Bombay on the proposed establishment of combined bleaching, dyeing and printing works. The removal of the import duty on machinery and raw materials of industry having been in accord with the policy of Government, they agreed with the recommendation of the Board that the import duty on cotton textile machinery and mill stores should be remitted for a period of three years. The publication of the above resolution led to strong protests and deputations

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				<p>be said of cloths of counts of 30s. and above. The depreciation of the Japanese exchange stimulated exports from Japan to India and double-shift working gave the Japanese industry an advantage of 4 per cent. Conditions of labour in Japan were inferior to those in India; and, therefore, it was held there was unfair competition between Japan and India.</p> <p>The stabilisation of the rupee at 1s. 6d. at this time rendered the problem presented by the disparity between prices and wages more pronounced. Over-capitalisation accentuated the depression. Difficulties of finance were not a negligible factor.</p> <p>Bombay was under substantial disadvantages as compared with other centres in regard to cost of fuel, power, water, labour, etc., but these appeared to be rather more than off-set by advantages in regard to cost of stores, insurance, office expenses, etc.</p> <p>It was impossible to express a definite opinion as to how far foreign competition was a permanent cause of the depression.</p> <p>Mills with only spinning departments were hit by the prevailing depression more than others.</p> <p>The Board as a whole made many recommendations for improvement in organisation, management and control. The most important unanimous recommendation was that Government should contribute towards the establishment of a combined bleaching, dyeing and printing works in Bombay.</p> <p>In the opinion of the majority though no justification existed for a differential duty against Japan on the ground of depreciated exchange, a moderate amount of protection both for yarn and cloth was necessitated by the labour conditions in Japan. Any additional</p>	<p>to the Viceroy, and the Government modified their decision. The result was the Indian Tariff (Cotton Yarn Amendment) Act 1927, under which a duty of 5% <i>ad valorem</i> or 1½ annas a pound, whichever was higher, was levied on all imported cotton yarn. The industry continued to decline and as a result of Mr. G. S. Hardy's report and Conference with Millowners the Cotton Textile Industry (Protection) Act, 1930, was passed, under which protective duties on a differential basis were imposed on cotton piece-goods for a period of three years.</p>

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				<p>duty on yarn was undesirable from the point of view of the handloom industry.</p> <p>The fact of unfair competition from Japan having been established, the best way of granting protection to the industry was by the imposition of an additional duty of 4% on all cotton manufactures. The question of a differential duty against Japan was considered undesirable.</p> <p>There was no justification for an export duty on cotton.</p> <p>The concession of free entry enjoyed by cotton mill machinery and mill stores prior to 1921 should again be granted.</p> <p>A stimulus to the production of goods of higher quality should be provided in the form of a bounty on the spinning of higher counts, 32s. and over, to the extent of 15 per cent. of the total working spindleage in a mill in British India.</p> <p>The appointment of Trade Commissioners in Basra and Mombasa was pressed.</p> <p>Before the appointment of a Trade Commissioner, a commercial mission should make a survey of the potentialities of export markets.</p> <p>No case had been made out for a special treatment of the hosiery industry.</p> <p>While agreeing with most of the recommendations of the majority, the President (Mr. Noyce) was of the opinion that there should be no bounty on the spinning of higher counts.</p> <p>He also was of the opinion that the fact of unfair competition having been proved against Japan, the additional duty of 4 per cent. which was what was required in the shape of protection should be imposed only on cotton piece-goods coming from Japan.</p>	

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28.	July 25, 1932.	President: Dr. J. Matthai. Members: F. I. Rahimtoola, G. T. Boag.	Cotton Industry.	<p>The Board recommended that Government should immediately examine the possibility of using their powers under Section 3 (2) of the Tariff Act in the case of piecegoods imported from a country with a depreciated exchange to raise the value of the goods for Customs purposes in such proportion as to secure the continuance of the protection intended for the Indian Industry.</p> <p>If this was not accepted, then the necessary additional assistance should be provided by raising the <i>ad valorem</i> duty on all cotton piecegoods of non-British origin from 3½ per cent. to 50 per cent. in view of the Indo-Japanese Trade Convention in existence.</p> <p>No proposal was made regarding the specific duty on plain grey goods because it was thought that Section 3 (5) of the Tariff Act restricted the power of the Governor-General.</p> <p>The Tariff Board found an increase in the number of mills at work in India as also in the production of both yarn and piecegoods.</p> <p>The decline in the imports of yarn and piecegoods of all description was also noticeable.</p> <p>There was a serious falling off in the export trade in coloured goods since 1926-27.</p> <p>The claim to substantive protection of an industry must be judged both by the conditions laid down by the Fiscal Commission and by the national importance of the industry.</p> <p>India had a virtual monopoly of short staple cotton and also produced enough long staple cotton to meet the country's requirements.</p> <p>Majority of mills in India would find it impossible, without protection, to realise any return on capital or to find adequate sums for depreciation and in many cases</p>	<p>Government accepted the Board's recommendation in respect of the <i>ad valorem</i> duty on cotton piecegoods not of British manufacture.</p> <p>As regards the specific duty, Government decided that the Governor-General-in-Council had power to alter the duty and raised accordingly the duty from 3½ annas to 5¼ annas per lb.</p>
29.	April 9, 1932.	President: J. Matthai. Members: F. I. Rahimtoola, G. T. Boag.	Cotton Industry.	<p>On February 10, 1934, a Bill for amending the Cotton Textile Industry (Protection) Act, 1930, was introduced. The Government of India agreed with the Board's conclusion that the Cotton Textile Industry had established a claim to substantive protection; but they found it necessary to review the measures of protection in the light of events subsequent to the submission of the report by the Board. The denunciation of the Indo-Japanese Trade Convention and the subsequent conclusion of a new trade agreement with Japan together with the unofficial agreement between representatives of the Indian and United Kingdom Textile Industry had introduced entirely new factors into the situation. The Bill was intended to give statutory effect to the aforementioned agreements. Opportunity was also taken by Government to in-</p>	

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				<p>even to meet the whole of their out-of-pocket expenses.</p> <p>Continued depression of the industry in Bombay was bound to depress prices throughout the country.</p> <p>The introduction of protective duties on piecegoods in 1930 prevented a greater fall in their prices than the fall in the prices of raw cotton. The reduction of purchasing power diverted the demand from high-priced to low-priced goods. The withdrawal of protection would cause a serious set back to the industry. The only practicable method of fixing the measure of protection was to base it on the difference between the fair-selling price and the price actually realised by the Indian mill.</p> <p>Effective protection could only be given by specific duties.</p> <p>Any system of specific duties should be based on as broad a classification as possible. It would be unnecessary to have more classes than four, (1) plain grey, (2) bordered grey, (3) bleached, (4) printed, dyed and coloured woven with duties of 5 annas, 5 annas 3 pies, 6 annas and 6 annas 4 pies per lb., respectively, or the <i>ad valorem</i> rate of revenue duty whichever was higher.</p> <p>The <i>ad valorem</i> duty was intended to protect the revenue of Government.</p> <p>The specific duties proposed would be applicable to cotton goods of British and non-British manufacture.</p> <p>A reduction of the specific duty on yarn to one anna a pound and its restriction to counts 50s. and below was recommended.</p> <p>The claim to protection of subsidiary industries such as hosiery industry and braid-making industry was analogous with that of the engineering and other industries whose raw material is rolled steel.</p>	<p>corporate into the Bill their decisions on the recommendations of the Board on the Sericultural industry.</p>

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1	2	3	4	5	6
				<p>The Board recommended that protection be given by (1) a specific duty of Re. 1-8-0 a dozen on underwear including knitted garments of all descriptions and underwear made from woven fabrics; (2) by a specific duty of 8 annas a dozen pairs on socks and stockings; (3) by a specific duty of 6 annas a pound on knitted fabrics in the piece and (4) by a specific duty of 6½ annas a pound on braids known as "Ghoonsis" or "Muktakesis."</p> <p>Piecegoods made entirely or in part of artificial silk should be subject to a specific duty of Re. 1-8-0 a lb. But if the proportion of artificial silk in the mixture did not exceed 15 per cent. of the total weight, the goods should be assessed as coloured cotton piecegoods or woolen manufactures.</p> <p>A duty of 15 per cent. should be imposed on all imported starch.</p> <p>It was considered desirable that the Merchandise Marks Act should be amended without delay so as to penalise dishonest practices.</p> <p>Legislation was desirable in order to define the extent and nature of the control and supervision to be exercised by the directors and shareholders over managing agents. A Committee should be appointed to report on the manner in which the Company Law should be amended.</p>	
30.	Dec. 3, 1932.	<p><i>President:</i> F. I. Rahimtoola.</p> <p><i>Members:</i> G. T. Boag, H. R. Batheja.</p>	Sericultural Industry.	<p>The Board recommended an <i>ad valorem</i> duty of 80 per cent. on silk goods and 60 per cent. on silk mixtures.</p> <p>They also recommended that all silk yarns including thrown silk and spun silk be liable to the duty recommended for raw silk, and that a specific duty of Re. 1 a pound be levied on artificial silk yarn.</p>	Government action was embodied in the Textile Industry (Protection) Act, 1934.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
31.	May 20, 1930.	3 <i>President:</i> A. K. Mathias. <i>Members:</i> J. Matthal, P. I. Rahimtoola.	4 Sugar Industry.	5 <p>The Board was satisfied that the three conditions laid down by the Fiscal Commission were fulfilled by the Sugar Industry and that a case for protection had been established.</p> <p>The agricultural aspect of the case for protection was the most important. In the national interests, the area under sugarcane should not diminish and a fresh outlet should be provided for cane by encouraging the expansion of the white sugar industry. Unless steps were taken to develop the white sugar industry, the Board was of opinion a disastrous slump in the gur market was probable which would seriously affect the agricultural classes, disorganise the agricultural system and involve the abandonment of better cane cultivation in large areas.</p> <p>The khandasari system of sugar manufacture was of great importance in the Rohilkhand tract. Both from the point of view of outlet for cane and from the point of view of the position of cultivators in Rohilkhand, the continuance of this branch of industry must be secured.</p> <p>The area under cane in India over a series of years had remained very steady. The main product of sugarcane in India was gur, or which between 2½ and 3 million tons were consumed annually.</p> <p>There were as many as 29 factories capable of manufacturing white sugar direct from cane and there were also 14 refineries which manufactured white sugar mainly from gur.</p> <p>There was a remarkable increase in the efficiency of extraction of Indian factories since 1920.</p> <p>Much progress was made in the last ten years at the Sugar Research Station at Coimbatore and a number of varieties had been evolved which were particularly suitable for Northern India.</p>	6 <p>The Government of India accepted the recommendation of the Board that a single rate of duty should apply to all classes of sugar. As the period of 15 years was considered to be unduly long, it was decided to propose that a protective duty of Rs. 7-4-0 per cwt. be imposed on all classes of sugar until 31st of March, 1938, and that provision be made in the statute for a further enquiry before the end of that period.</p> <p>The Government did not propose to accept the Board's recommendation that power should be taken to impose an additional duty in the event of the price of imported sugar falling below a certain level.</p> <p>The Board's recommendation regarding the duty on molasses was accepted.</p> <p>A resolution embodying the above decision of Government was issued on 30th January, 1932, and the Sugar Industry (Protection) Act received the assent of the Governor-General on 8th April, 1932.</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				<p>Steps should be taken to reduce the cost of production of gur particularly in Bombay and Madras by the improvement of methods of cultivation and by the introduction of improved varieties of cane after investigation at the Research Station at Coimbatore.</p> <p>Sugarcane was the only important agricultural product, the price of which was not determined by world conditions and Government had it in their power at this time of severe agricultural depression to afford substantial assistance to the agricultural classes by protecting the sugar industry.</p> <p>Any scheme of bounties was on administrative grounds impracticable.</p> <p>The Board therefore proposed that assistance should be by way of duty. In order to enable the industry to face initial difficulties and to safeguard the position of the manufacturer of indigenous sugar by the bel method, the Board recommended that for the first seven years the duty should be fixed at Rs. 7-4-0 per cwt. and that for the next eight years at Rs. 6-4-0 per cwt., the period of protection being for 15 years.</p> <p>The Board also proposed that a single rate of duty should be applied to all classes of sugar including sugarcandy.</p> <p>They had no recommendations to make regarding the application of Messrs. Carew & Co., for the removal of tariff inequality on methylated spirit.</p> <p>Protection was unlikely to affect seriously the industries using sugar.</p> <p>Increased sums should be allotted to development and research work since without such measures the whole purpose of the protective scheme was likely to be delayed, if not defeated. They recommended a grant of not less than Rs. 10 lakhs annually to the Imperial Council of Agricultural Research.</p>	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				<p>The Tariff Board considered the scale for cane payment recommended by the Indian Sugar Committee, viz., a sliding scale based on price for cane equal to half the price of sugar subject to a minimum of 6 annas per maund as generally suitable, but they thought that it should be increased by one anna per maund in the first years of protection.</p>	
32.	July 25, 1929.	<p><i>President:</i> Sir P. P. Ginwala up to 26-3-30. A. E. Mathias from 27th March, 1930. <i>Members:</i> A. E. Mathias up to 26-3-30. Dr. J. Matthai.</p>	Salt Industry.	<p>Tariff Board held that it would be necessary to increase the duty from Re. 1-4-0 to Re. 1-6-0 per maund to bring the import price of Rs. 53 to the level of the fair selling price of Rs. 66 for the Indian industry.</p> <p>This would involve an additional burden of nearly Rs. 20 lakhs on the Bengal consumer.</p> <p>Considering the limited extent to which the national interests would be served by the establishment of salt industry at Okha or Karachi, to expect the Bengal consumer to shoulder a burden of this magnitude would be entirely unreasonable, but a different conclusion might be reached if there was a reasonable prospect of securing stability of price.</p> <p>On economic grounds the case for the imposition of a protective duty could not be sustained. Nor could the proposal for any remission of the excise duty be justified.</p> <p>Maintenance of quality could not be guaranteed either by the imposition of duty or by the grant of bounty.</p> <p>Their conclusion was that it was not in the national interests to encourage the production of Indian seaborne salt at anything more than a price of Rs. 66 per</p>	<p>The Government of India accepted the finding of the Board and appointed a Salt Survey Committee. After considering that report the Salt (Additional Import Duty) Act 1931 was passed and it received the assent of the Governor-General on 5th April 1931. An additional duty of 4 annas 6 pies per maund was imposed under that Act on all salt imported into British India but produced outside India.</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				100 maunds and the only method of encouragement which could be recommended was stabilization of prices over a long period by some form of organized control.	
				<p>The Board held that India could be made self-supporting in respect of salt. Khewra and Sambher provided sources of supply of white crushed salt for the Bengal market. Therefore, they recommended that a detailed survey should be made of these possible sources.</p> <p>As in the case of seaborne salt, so in the case of rail-borne salt, they thought, if the manufacture of white crushed salt was to be encouraged in India, the only ultimate solution was the introduction of some form of organised control.</p> <p>The advantages of such a control were many. In the first place, the Indian manufacturer would get a reasonable price which would also be fair to the consumer. In the second place, exploitation by combines of foreign manufacturers could be stopped. In the third place, Government would have an additional source of supply to make good shortages in Upper India.</p> <p>The control must ultimately be in the hands of a Marketing Board constituted on the lines of a public utility company. But Government should at once assume control of imported salt in the interests of the industry as well as the consumer and standardise the qualities of common crushed and superfine salt.</p>	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
33.	July 16, 1928.	President: Sir P. P. Ginzala. Members: A. E. Mathias, J. Matthal.	Heavy Chemicals Industry.	4 The Tariff Board took the sulphuric (Chamber) acid as the basis of the whole group of chemicals considered in their report. The heavy sea freight on acids afforded a high natural protection to the manufacture of sulphuric, hydrochloric and nitric acids locally, but as there was no freight advantage in respect of salts, their manufacture in competition with other highly developed countries was difficult. The market in the country was sufficiently big to warrant production on an economic scale. The machinery required was simple and easily handled by Indian labour. In respect of raw materials, though India possessed several of those required, sulphur which was the most important raw material was lacking, but its absence was not considered a bar to the grant of protection. The chemical industry was a key industry and one of national importance and therefore the Board considered that the industry should be protected. At the moment, the production being on a small scale, the costs were high and could not be accepted as a suitable basis for protection. The industry should reorganise itself and attain bigger production so as to bring down the cost of production. The protection required should be given in the form of specific duties which represented substantially the present level of revenue duties. The inter-connection of the various duties suggested was emphasised. No limit was fixed to the period of protection, but another enquiry should be made after 7 years. Realising the close connection between the chemical industry and the manufacture of artificial fertilisers, the Board held that the manufacture of superphosphate	6 In a resolution issued on 5th September, 1931, the Government of India proposed to give effect to the protective duties recommended by the Board for the period up to 31st March, 1933. They did not agree with the Board in the matter of railway rating policy. They also thought that the question of assisting an industry not yet in existence by means of a bounty required further consideration. In the same resolution the Government of India said that they were prepared to discuss with representatives of the Chemical industry the question of developing the industry. Again in a resolution issued on the 1st April, 1933, summarising the position of the industry, the Government of India said that there was no indication of any intention on the part of chemical manufacturers to work for more economic production by a combination of interests; that the great majority of opinions were unfavourable to any scheme of State assistance for the manufacture of superphosphate and that there was no chance at any time of the superphosphate industry, if started, being able to stand competition from other countries unassisted. The Government of India, therefore, finally decided not to place any proposals before the Legislature for the continuance of protection of the Heavy Chemical Industry. The protective duty on magnesium chloride, however, would remain unaffected till March, 1939.

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				<p>was a suitable industry for the grant of protection, which should take the form of a bounty.</p> <p>On a careful examination of the question the Board found that a policy of reduction of railway freights with a view to facilitate the formation of a combine would be not merely in the national interests but also in the interests of railways themselves.</p>	
34.	July 16, 1928.	<p><i>President:</i> Sir P. T. Ginwala.</p> <p><i>Members:</i> A. B. Mathias. J. Matthai.</p>	Magnesium Chloride Industry.	<p>The Board recommended the imposition of a specific duty of 7 annas a cwt. for 7 years.</p>	The Government of India accepted the recommendation and imposed the duty in 1931.
35.	March 26, 1931.	<p><i>President:</i> J. Matthai.</p> <p><i>Members:</i> F. I. Rahimtoola. G. T. Boag.</p>	Paper and Paper Pulp Industries.	<p>The main recommendations made by the Board were as follows:</p> <ol style="list-style-type: none"> (1) Protection to the bamboo paper and pulp industry should be continued by means of a duty. (2) The duty on imported paper should be imposed at the same rate and on the same articles as at present. (3) A duty should be imposed on imported wood pulp at the rate of Rs. 45 per ton. (4) The protective duties on paper and pulp should remain in force for a period of seven years from the 1st April, 1932. (5) A conference should be held with representatives of the different interests to decide the proper definition of the classes of paper to be subject to the protective duty. (6) Compliance by the paper-making companies with the principles stated in para. 292 of the Fiscal Commission's report should be made a condition precedent to the grant of concessions for the exploitation of forests and to purchases of paper by Government. 	<p>Government accepted the proposals of the Board regarding the duties to be imposed on various kinds of paper and also on pulp.</p> <p>The period of protection fixed by the Board was also approved.</p> <p>The Conference proposal made by the Board for the definition of articles chargeable with protective duty did not receive the assent of Government.</p> <p>The conditions laid down in paragraph 292 of the Fiscal Commission's report would, it was explained by Government, apply only to new companies and not to companies already in existence at the time of the consideration of the question of granting assistance.</p> <p>The Bamboo Paper Industry (Protection) Act was passed in 1932.</p>

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
36.	May 15, 1930.	<i>President:</i> A. K. Mathias, <i>Member:</i> J. Matthai.	Gold Thread Industry.	(7) The Paper Pulp Section of the Forest Research Institute should be developed and should undertake co-ordination of experimental work on bamboo.	The Government accepted the findings of the Board and the Gold Thread Industry (Protection) Act came into force in 1931. The duty applicable to the various articles mentioned by the Board was 62½ per cent. <i>ad valorem</i> .
37.	May 7, 1931.	<i>President:</i> J. Matthai. <i>Members:</i> F. I. Rahimtoola, G. T. Boag.	Wire and Wire Nail Industry.	The Board recommended a specific duty of Rs. 45 per ton on wire as well as wire nails. They also considered that the existing arrangements for exempting wire rod from duty should be continued.	Government accepted the finding of the Tariff Board and imposed a duty of Rs. 45 per ton by the Wire and Wire Nail Industry (Protection) Act, 1932.
38.	May 11, 1931.	<i>President:</i> J. Matthai. <i>Members:</i> F. I. Rahimtoola, G. T. Boag.	Electric Wires and Cables Industry.	The Board found that the industry did not satisfy the conditions laid down by the Fiscal Commission and, therefore, had no recommendations to make, regarding the application for protection submitted by the Indian Cable Company.	Government accepted the finding of the Board.
39.	May 11, 1931.	<i>President:</i> J. Matthai. <i>Members:</i> F. I. Rahimtoola, G. T. Boag.	Glass Industry.	Report of the Board submitted to Government in the beginning of 1932 not yet published.	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
40	Aug. 26, 1933.	President: J. Mathai. Members: G. Wiles, G. A. Natesan.	Steel Industry.	<p>The main conclusion of the Board was that the 1926 Scheme of protection had proved successful and that the expected reduction in past had been effected and that the stage has arrived when "on all articles sold by the Steel Company in competition with Britain imports either more protection duty is required at all, or if any one required the rates are lowered than the normal rates of revenue duty." The Board also added that, if continental steel products were sold at fair prices the Indian industry could well stand the competition and that the duties on Continental goods which were needed were more in the nature of anti-dumping than protecting duties.</p>	<p>The Government of India accepted the conclusion of the Tariff Board but preferred equalising duties to the removal of the revenue duties on the imports.</p>

The Board recommended a duty of Rs. 43 per ton on the imports of untested structural from the continent ; Rs. 10 per ton on British bars (tested) ; Rs. 39 per ton on continental untested bars ; Rs. 25 per tons on untested plates from the continent. On rails, fish plates, structural and tested plates from United Kingdom, the Board recommended no duties. On Blacksheets (tested) from U. K. the Board recommended Rs. 11 per ton and Rs. 32 per ton on untested Blacksheets from the Continent. Galvanised sheets were recommended for an import duty of Rs. 10 per ton irrespective of the country of origin. On imports of fabricated steel from countries other than Great Britain, a duty of Rs. 40 per ton was recommended. As regards tinplates, the Board

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government.
1	2	3	4	5	6
				<p>favoured a duty of Rs. 38 per ton on the British product and Rs. 57 per ton on the continental. On imports of wire wire nails Rs. 25 on the British goods and Rs. 60 on the foreign. A duty of Rs. 57-8 per ton is recommended on imports of cast iron pipes from foreign countries, while the British goods were to be duty free.</p> <p>The more important part of the Tariff Board Report is the recommendation that even the revenue duties on rails and tested structurals and plates should be removed or in the alternative conn-terveiling excise duties should be levied on internal production.</p>	
41	11th May, 1931.	<p><i>President :</i> J. Matthal. <i>Members :</i> F. I. Rahim- toola. G. T. Boag.</p>	Glass Industry.	<p>(i) Sheet and Plate glass including figured and ribbed glass—Rs. 4 per 100 sq. ft. or 25 per cent. <i>advalorem</i> which ever is higher.</p> <p>(ii) Bangles, beads and false pearls—50 per cent. <i>ad valorem</i>.</p> <p>(iii) Glass and glassware of the kinds specified below—50 per cent. <i>ad valorem</i>.</p> <p><i>a.</i> Containers other than those con-taining merchandise packed according to ordinary trade usage—bottles and phials of all descriptions including soda and other aerated water bottles ; jars of all kinds including stopped jars.</p> <p><i>(b)</i> Illuminating ware—Chimneys ; globes ; shades ; chandeliers ; domes lamps wholly or partly made of glass.</p>	

Serial No.	Date of reference.	Personnel.	Subject of Enquiry.	Recommendations by Tariff Board.	Action taken by Government
1	2	3	4	5	6
				(c) Table and domestic ware—Tumblers and jugs; dishes; bowls; plates, decanters; stands; vases; wine glasses; ink stands; paper weights; ash trays; pepper, salt and vinegar bottles.	The Government rejected the recommendations of the Board and have only allowed a rebate of duty on important soda-ash used by the glass industry if the same is imported by a British country.
				(d) Miscellaneous Tables roofing and floor.	
				Carbon Brushes	
				The Board concluded that as carbon blocks are subject to a duty of 25% <i>ad valorem</i> , carbon brushes are charged only at the rate of 10%, Tariff inequality exists and that the duty should be reduced to 19% in order to remove such inequality. The Board recommended an even lower rate of 15% to make up for other handicap.	The Government accepted the conclusion of the Board and proposed to effect a reduction in duty by notification under section 23 of Sea Customs Act after discussion in the Assembly.
				Healds and Reeds	
				The Board concluded that Tariff inequality exists also in the case of Healds and Reeds and recommended that the duty on healds and reeds should be raised from 10% to 15%.	The Government of India declined to accept the conclusions of the Board on the ground that the use of imported yarn for the manufacturing of healds and reeds can make up for the higher cost of other raw material.
				Classification of paper.	
				Under consideration	

INDUSTRIAL SECTION:

THE INDIAN COAL INDUSTRY

COAL IN INDIA AND INDIAN COAL IN THE WORLD.

In importance, the coal industry in India can hardly compare with cotton, or jute, or with the pure agricultural staples. Our production of both raw cotton and cotton goods is a substantial portion of the world output; in jute we have a practical monopoly; and the agricultural staples have a significance in the national economy apart from, and independent of, their relation to the output, and markets of the rest of the world. But in coal our annual production is an average of 20 million tons, out of a world production of about 1,250 million tons. The industry in India has comparatively less capital invested in it; and the chief collieries are confined to the provinces of Bengal and Bihar and Orissa. Withal, it is one of the most important industries, one in which the public can never afford to take a mere lukewarm interest. First, the welfare of the local industry, though it fills a smaller place in the whole of India, is of vital importance to Bengal and Bihar and Orissa. Secondly, coal is by every criterion a key industry. A good supply of coal is one of the basic conditions of industrial progress. Our vast railway system would be unworkable without a well-worked coal industry. So would a coastal marine be when it is evolved by our nationals.

ECONOMICS OF COAL-MINING.

Before we examine the position of our coal industry, it would be well to delineate some of the peculiarities of the economics of coal production. Coal, like other minerals, does not possess the adaptability of agriculture. A coal mine cannot be turned, when the price is not adequate, to any alternative production as, for instance, many agricultural farms or some industrial plants may be. Secondly, there is a preponderance of fixed capital and labour charges in the coal industry; and this tends to make a state of idleness more costly than production at a loss. Thirdly, a coal mine is subject to the law of diminishing returns or increasing costs very much more than other industries. The complete extinction of the mine is not a remote possibility but the definite end, and has to be taken into consideration in determining costs, prices and profits. Differential costs are both common and high; and prices may often be determined by the mine which is more advantageously situated. Another important point is that coal is not a simple product of uniform quality. One class is suitable for cooking, another as steam coal and a third for household purposes. But they do not fall into separate non-competitive categories; and prices move in sympathy. In other words, quality excepted, prices find their level. And lastly, demand for coal is more or less inelastic;

a fall in price does not induce an increase in demand. All these show how difficult it is for the coal industry to devise a remedy when it is afflicted with over-production caused either by increased output or, for some reason, a fall in demand.

WORLD COAL.

We may now turn to sketch briefly the features and changes in recent years of the world's coal industry. The remarkable feature of the coal industry of the world is that out of a production of 1,217 million metric tons in 1918, 517 million tons were produced in U.S.A. and 605 million tons in Europe. So that, so far as the position of the world's coal industry is concerned, the rest of the world can hardly be said to count. Of the total European output, 292 million tons were produced in Great Britain, and 190 million tons in Germany. The other important producers were France 40 million tons, and Belgium 23 million tons. Between 1888 and 1913 world output had increased by nearly 200 per cent. This was the period of the most rapid progress in industrialisation, particularly, in U.S.A. and Germany. In U.S.A. the increase was approximately 300 per cent., in Germany 200 per cent, and Great Britain which, coal like other industries suffered from disorganisation. By 1924, there was a fair recovery and a resumption of the onward march. In 1927, the output of coal exceeded the pre-War output.

At this time, there came two important developments which affected the position of the British coal industry in a very serious way. The Saar region was placed under the terms of the Peace Treaty under separate control and the greater part of the Eastern coalfield was transferred to the new Poland. At the present time there are three countries which export more coal than they import—Great Britain, Germany and Poland. And their competition is intensified because world demand for coal has not kept pace with the world production. Not only has there been a big increase in production, but the need for coal has been reduced by the increased competition of lignite on the Continent, the growing use of oil in ocean and land transport, and of gas and electricity in the homes and factories and lastly the enhanced efficiency of steam-raising. The world market reveals the competition between coal produced under competitive conditions and coal that is indirectly subsidised by lower railway and ocean freights. Each country is exposed to the dangers of blind competitive forces which aim not at maximum profit but minimum loss. Selling organisation and selling agreements are tried and work with questionable success. And on the top of all this trial and tribulation, is the blight of the economic blizzard.

The following table will show the changes in the distribution on coal production among the countries principal.

COAL PRODUCTION

(In Metric Tons 000's omitted)

Countries	...	1925	1929	1930	1931	1932	1933	1934
Total world production		1,046,424	1,286,628	1,176,722	1,029,840	911,316	953,856	1,046,424*
Germany	...	182,624	163,440	142,704	118,644	104,736	109,920	125,016
France	...	47,100	53,784	53,880	48,004	46,272	46,872	47,604
India	...	20,316	22,716	23,124	21,024	18,972	18,312	...
Japan	...	31,464	34,260	31,380	27,984	28,056	30,048	...
Netherlands	...	7,116	11,584	12,216	12,900	12,756	12,576	12,386
Poland	...	29,076	46,236	37,512	38,268	28,836	27,396	29,232
United Kingdom	...	217,080	262,044	217,800	222,984	212,604	210,300	224,406
Saar	...	12,984	13,584	13,224	11,364	10,440	10,372	11,316
U. S. S. R.	...	16,956	41,664	47,052	53,544	62,532	72,240	90,420

* Provisional.

INDIA'S COALFIELDS.

Raneegunge and Jharia are the best-known coal fields in India. They account for about 90 per cent. of the total production and the rest are raised in other fields some of which lie not only outside the provinces of Bengal and Bihar and Orissa, but also in the Native States. Raneegunge which produced 6.5 million tons in 1930, is situated in Bengal and was opened up in 1820. Jharia which yielded 9.7 million tons in the same year was started in 1893. The other fields are of comparatively recent origin. Joint stock coal companies have invested more than Rs. 12 crores in the industry; and there is besides a small knot of coalfields owned by the railways for which details of capital are not available. Though Raneegunge and Jharia tower over all the rest of the coalfields in India, the progress made by the latter is by no means insignificant. It would be well, before we proceed to sketch the recent history and the present problems of the Indian coal trade, to have a short sketch of the distribution of the coalfields and to afford some data for an estimate of their value and importance. The Raneegunge fields cover an area of about 500 square miles spread over the districts of Burdwan, Bankura, Manbhoom and the Central Pargannas. The Raneegunge fields are very favourably situated for the export trade, the freight in their case to Calcutta being very much less than from the other fields. The more important seams are Dishegarh, Poniat, and Sanctoria; the next class is presented by Ghusick, Koithi, Chanch, Salanpur, "A" Samla, Kajora and Jambad. As the Raneegunge fields were opened up as early as 1820, the raising costs are distinctly higher.

The Jharia field comprises an area of 150 square miles. It contains 18 seams of coal. The trade distinguishes 18 classes of its output of which the last 9 are considered to be very

poor. Operations were commenced in 1893. The Bokara field has an area of 200 square miles. It is worked chiefly by the various Indian railways and its output in 1930 was 1.6 million tons. The working is easy and cheap and the total resources of this field are estimated to be over 1,000 million tons of coal of first-rate quality.

The Karanpura field, which falls into divisions, North Karanpura and South Karanpura with areas respectively of 472 square miles and 72 square miles, contains thousands of million tons of coal, though of somewhat poor quality. This field may prove in the future to be more profitable as it is having increasing transport facilities and the actual working may be more easy and less costly than fields similarly situated.

The Giridih field is controlled by the East Indian Railway for their own needs. It is seven square miles in area and the coal is accounted to be of the best quality. The coalfields in the Central Provinces have been worked only lately.

The Pench Valley and Kanhan fields are fortunate in having a good transport service from the G. I. P. and the B. N. Rlys. In common with the Chanda fields they find ready market for loco and mill use. The Central India fields lie to the East of the Katni-Bilaspur section of the B. N. Rly. and a railway line has been projected to facilitate the opening up of large deposits of coal in this region.

The Rewa State contains an area which has a convenient market near to it in the Lime and Cement factories in the Katni district. Burhar is situated in the same State and has an annual output of about a lakh of tons.

Korea which lies in the Native State of the same name contains high-class coal and its being developed.

The Talcher field is worked by the B. N. and M. & S. M. Rlys. Its development will grow with the new port of Vizagapatam; and the future may show it to be advantageously situated both in regard to S. India as well as some of the ports of the South East of India.

The Assam field is practically marked out for the railways of Eastern Bengal, and Assam, the steamers navigating the rivers of that area and the tea gardens in neighbouring districts. The product is of high quality and the mines are worked by adits driven into the hillside.

OUTPUT & MARKETS.

Independent of the fluctuations in the fortunes of coal companies, the output of coal in India has gone ahead, as may be seen from the following two tables giving the figures of production for the last thirteen years and for the last five decades:

Production Year by Year.

Year	Tons.
1920	17,962,214
1921	19,303,947
1922	19,010,986
1923	19,656,883
1924	21,176,606
1925	20,900,088
1926	20,990,167
1927	21,082,336
1928	22,542,842
1929	23,418,734
1930	23,803,048
1931	21,716,435
1932	19,679,154
1933	20,153,387
1934	19,789,163
1935	22,057,447

Production at the end of each decade.

	Tons.
1880	1,019,793
1890	2,168,521
1900	6,118,692
1910	12,047,416
1920	17,962,214
1930	23,803,048
1934	19,789,163

The imports and exports of coal into and from India are given below:

EXPORTS OF COAL.

(Quantity in Tons).

	1931-32	1932-33	1933-34
United Kingdom ...	11,955	31,529	29,892
Ceylon	272,680	169,081	222,996
Straits Settlements (Incl. Labuan) ...	23,431	20,550	5,891
Hongkong	162,265	188,571	99,286
Philippine Islands & Guam	87,007	8,278	6,242
Other countries ...	7,779	34,064	9,087
Total	515,117	452,073	372,894
Coke	1,870	2,136	827

IMPORTS OF COAL.

(Quantity in Tons).

	1931-32	1932-33	1933-34
United Kingdom ...	23,760	15,994	9,776
Union of South Africa	23,241	13,516	34,710
Portuguese East Africa	...	...	...
Australia	3,805	3,015	6,165
Other Countries ...	4,818	2,275	5,670
Total	55,619	34,800	56,315
Coke	12,144	12,678	19,791

The channels of consumption for this supply of coal are indicated in the following table which gives the figures for three years:

(In Thousands of Tons).

	1933	1932	1931
Railway (including work-shops)	6,682	6,443	6,629
Port Trust	143	135	156
Bunker coal	967	1,077	1,109
Admiralty and R. I. M.			
Shipping accounts ...	25	30	29
Inland steamers ...	586	579	621
Jute mills	656	653	673
Cotton mills	1,547	1,361	1,311
Iron and Brass foundries	4,092	3,997	4,761
Tea gardens	187	203	189
Consumption at collieries and wastage (estimated)	1,979	2,015	2,172
Brick and Tile manufacture	644	669	758
Paper mills	162	142	146
Other forms of industrial and domestic consumption	1,778	2,375	2,846
Total	19,428	16,679	21,355

It will be seen from the above that the chief consumers, not to speak of the collieries themselves, are, in their order, the Railways of India, the Iron and Brass Foundries, Cotton mills, Bunker coal, Brick and Tile manufacture. It is equally obvious that the fundamental condition of the growth of the coal industry, a vast and widespread industrialisation, is lacking. And even within the narrow limits indicated by the figures cited above, elements of unsettlement have been rife especially during the last one decade after the War. The railways, who form the chief consumer of Indian coal have acquired and been working their own coal mines. Objection has been taken to this development on the ground that as the railways are owned by the State, the establishment of railway collieries would mean an unjustifiable and unwarranted encroachment of the State into the sphere of private industry. It is of course, contended in reply that as the railways are commercial enterprises, they must have freedom to develop their business interests and devise combination of a vertical nature, if they deem it profitable to do so. The railway collieries have been developed in the face of natural opposition; but with the increasing troubles of the coal industry the

Government had at one stage shown themselves more sympathetic to the appeals of the trade regarding the working of the collieries.

THREAT OF ELECTRIFICATION.

Apart from the existence of railway collieries there are other factors which affect the welfare of the coal industry in India. The most important of these is the electrification of the suburban railways of Bombay, as also the railway between that City and Poona. With the completion of the schemes of electrical development in S. India, the South Indian and the M. & S. M. Railways are also bound to follow suit. But while these factors may create a temporary disturbance to the market and some concern to the collieries, they are no permanent threat to the coal industry as a whole. For railway development, though it may now be held up owing to financial stringency, is by no means at an end. There is still vast scope; and there need be no fear that so far at least as the railways are concerned, they will fail to contribute to the total demand for Indian coal.

The Bombay cotton mill industry is the next channel of consumption which offers a frequent threat of silling up. In this market, too, there appears on a somewhat larger scale the danger which was mentioned in regard to the railways. Mills and factories are worked more and more by oil or electricity; and the prospects of coal consumption in Bombay must be less. But it is not, of course, to be expected that the change from coal to oil or electricity will be sudden or on a large scale. And in the worst circumstances Bombay must be a market which Bengal or other Indian coal can hardly afford to despise.

INDIAN VS. SOUTH AFRICAN COAL.

But in Bombay, Indian coal has to meet with the powerful competition of South African coal. In that country the coal trade and the Government work in closest co-operation. The Railways are State-owned; and bounties are best given in the shape of railway freights which have no relation to the economic rates. It has become almost the established custom in South Africa to have one rate for the internal movement of coal, another for coal intended to be bunkered and a third, which is the lowest, for coal exported to foreign countries like India, Ceylon, Sumatra, etc. In consideration of this fact the Indian Coal Committee of 1925, recommended an increase of 50 per cent. in the rebate on railway freights for coal for shipment; and the acceptance of this recommendation meant a reduction of annas eleven in the cost of transporting coal to Bombay and Karachi. But there is one important circumstance, which it is difficult to provide against. And it is that coal from the United Kingdom or South Africa is carried practically in ballast. Steamers expect, and do get, valuable cargo from Calcutta, Bombay and Karachi; and while proceeding to pick up such cargo they can afford to take cargo at rates which by themselves would seem to be uneconomic. Such advantages are for the same reason denied to coal going from Calcutta; and in this sense, the export of our precious raw materials may be said to inflict a double injury.

The other Indian ports offer no considerable demand for Indian coal. The industrial needs

of the interior of the country are being met from the coal fields near at hand. This development has been helped by the fact that the growing technique of industry has enabled the use of low grade coal where formerly only the best coals were suitable. And the Government of India increased the freights on coal other than those intended for export or bunkering by 15 per cent. as from January 15, 1932. The cumulative effect of all these developments was that Bengal coal was cut off more and more from the interior and thrown on the so-called export markets.

LOSS OF FOREIGN MARKETS.

The foreign markets have for long been the weakest spot of the Indian coal trade. It is here that the trade has suffered the worst vicissitudes, though the surplus of production over internal consumption is not very high, the disposal of this surplus at remunerative rates is of vital importance to the whole industry. Disturbance in the foreign markets deepens into depression at home and the export trade has, therefore, been the concern of the collieries and the Government. It is necessary in an examination of this subject to realise that all the coal passing through the port of Calcutta is not intended for the foreign markets, a part of it is for bunkering, a part for the Indian ports and only the remainder goes to the foreign markets. The exports of Indian coal began to be of importance only in the five years ending 1900 when they averaged 30,500 tons annually. For the pre-War period the peak was reached in 1906 with an export of a little over a million tons, and for the decade ending 1915, the annual average was slightly about three quarters of a million ton. It was only two years after the war in 1917, that exports began to be affected through the shortage of shipping which obtained at that time throughout the world. In 1918, the lowest point was reached with 74,000 tons. The end of the war helped a rapid recovery and 1920 saw exports mounting up to so high as 1.2 million tons. The rapid expansion of the demand for coal after the war involved a very heavy strain on the railways in the years 1919-20. The coal trade came to monopolise the available supply of wagons with the result that other commodities and trades were held up. In July, 1920, the Government of India following the example of the United Kingdom and South Africa, decided to prohibit the export of coal from India except under license with effect from July 24, and from September 1, to refuse the preference which had till then been accorded by the railways to bunker coal for Indian ports. It was hoped, at the time these restrictions were imposed, that the bunker coal intended for the ports of Bombay, Madras and Karachi which were then taking an all-rail route would be diverted to the port of Calcutta and would then reach their destination by coastal steamers. At a later stage, it was deemed advisable to restrict the free export of coal and to allow the exports to the former foreign markets only on the basis of a rationing scheme. Within a half year, it was found, on account, among others, of a fall in the raisings to the extent of 4½ million tons, that the provisions were not drastic enough. From the end of January 21, exports to Labuan and Singapore were altogether prohibited. Colombo was allowed a diminished supply till the end of March and thereafter only to the Ceylon Government railways and a few public utility

concerns. Even bunkering coal was reduced to the minimum necessary for enabling the steamers to reach the next nearest source of bunker coal. In July 22, all restrictions on the export of cargo and bunker coal by sea to ports in India were removed. The embargo was not entirely removed till January 1, 1923.

The inevitable result of this interference with the flow of coal to foreign markets was that Indian coal was ousted from its place and that South Africa which is the chief rival to India fully established herself in those markets ; and it is easy to understand that once business relationships are established it is difficult to terminate them in favour of even an old customer. It has been remarked already in an earlier section of this article, that, the Government and the trade in South Africa work in the closest co-operation and that among the many measures introduced for strengthening the export trade in South African coal was the action that had been taken to prevent the use of any but the best coal for export and bunkering and to ensure the satisfactory condition of any coal so used. By 1924, the situation resulting from the loss of the foreign markets had become serious.

TARIFF BOARD ON INDIAN COAL.

The coal trade applied for protection ; and as the questions involved were deemed to be of a highly technical nature, the Government decided to appoint the Indian Coal Committee, which would go thoroughly into the question and submit a report which might possibly be regarded as the basis for the Tariff Board to work on. The findings of the Indian Coal Committee are naturally various and varied. Their most important finding was that the problems of the Indian coal trade may be summed up in two words "quality" and "price." In regard to the former, they inclined to the view that, though the restriction placed on exports during the period after the War had much to do with the ultimate loss of the foreign markets, there have been even from earlier times a decided dissatisfaction amongst the foreign consumers with the quality of the Indian coal and that, even if the restrictions on exports had not been imposed, India would in any case, have been superceded by her rivals in Colombo, Singapore and other ports. As regards price, they went elaborately into the factors entering into the price of coal at the various consuming centres. Naturally, these factors fell into four divisions: (1) cost of raising ; (2) railway freights ; (3) port charges, in the case of coal for foreign markets and Indian ports and (4) shipping freights. The Committee after a careful examination found that Indian coal, by all the accepted criteria in this regard, is, if anything, superior to the rival product from South Africa ; and that, if greater care were expended in the raising, handling and selection for foreign markets of Indian coal, our products can very well stand the competition from abroad and slowly find it possible to regain the lost markets. For this purpose, the common methods of pooling and grading were suggested in the evidence before the Committee and were considered by them. The Committee decided that no pooling was essential for this purpose. They accordingly recommended the appointment of an Indian Coal Grading Board to classify the different seams at Indian collieries, to prepare a grading list and grant certificates of shipment. The recommendation was given legislative effect in

1925 ; collieries included in the grading list receive a special rebate on railway freight and a reduction of port dues and of shipment of cargo coal approved by the Grading Board. With the institution of the Board, foreign markets have been enabled to ascertain beyond doubt the origin and quality of the coal consigned to them. The quality of the coal shipped under the supervision of the Board has helped Indian coal to regain the footing it had lost in the markets of the East owing to the indiscriminate shipments of earlier years.

PROBLEMS OF BENGAL COAL.

Apart from the prospects of Indian coal as such, Bengal coal would seem to have problems of its own. We have already mentioned that there will be an increasing tendency on the part of the industrial consumers in the heart and farther ends of the country to have their needs supplied by the collieries near at hand. This has been possible as the technique of steam raising enables the use of inferior coal in place where formerly there was no alternative to the use of best qualities. In these circumstances Bengal coal will have to fall back entirely on the export markets ; and this is a prospect which it should not fear as Bengal coal is of the highest quality and well appreciated by foreign consumers. But the internal coal market has been during recent times in a state which the producers can by no means regard as wholesome. Coal prices are determined by the rates obtained at the railway tenders ; and the fact that the railways themselves are owners and managers of collieries tends to undue depression of the market. It has naturally been the insistent demand of the coal trade that the railways should cease to work their collieries. While this desideratum has not been fully secured the coal owners of all sections attempted for their part to reduce undue competition amongst the producers.

The Calcutta Coal Conference which was convened in 1929 by the principal owners was the first step in this direction. The Conference was able to enforce certain fixed minimum prices for the various qualities and raise coal prices to higher levels than it would have been otherwise possible to attain. Unfortunately the depression had hit the industry so hard that the morale of the Conference got weakened and the Conference was dissolved in a short while. The result was a still further decline in the prices of coal.

RESTRICTION OF COAL OUTPUT.

The year 1932-33 saw a worsening of all the adverse features of the coal trade referred to earlier, and the primary cause of the increase of all these handicaps was the imposition of a surcharge of 15 per cent. on rail freight on coal. The effect of this, it has been contended, is to give an unfair advantage to the coalfields of the Central Provinces, as, with a 15 per cent. surcharge, the basic rate in respect of the coals of these two areas is in favour of the C. P. coal. The practical effect of the surcharge is to make Bengal coal considerably dearer to Western and Southern India and to other places away from the coalfields in Bengal and Bihar and Orissa.

As a result of the various representations made by the coal trade of Bengal and Bihar and Orissa, the Government agreed to do something and raised the rates for the transport of coal from the collieries in the Central

Provinces as from the 1st of April, 1934. The Government's action, however, far from removing the existing disparity has only reduced the difference. As it could be readily envisaged, this half-hearted action on the part of the Government has pleased no body. Probably, the only tangible result was to augment the revenues of the Government. It passes one's understanding why the Government of India should still persist in maintaining a disparity in the basic rate of freight between Bengal and C. P. Coal.

The comparative prices of 1932-33, 1933-34 and 1934-35 are given below:

	1932-33			1933-34			1934-35		
	Rs.	A.	P.	Rs.	A.	P.	Rs.	A.	P.
Dishergarh	4	12	0	4	4	0	4	0	0
Poniat	4	8	0	3	15	0	3	12	0
Super Jharia	4	12	0	4	4	0	3	8	0
Selected Jharia	4	8	0	4	2	0	3	0	0

The difficulties of the Coal industry of Bengal and Bihar and Orissa have mounted up, like Pelion upon Ossa and, as a result, have succeeded in making the industry one of the most disorganised in India. The unhealthy competition amongst the coal owners themselves has also contributed in no small measure to the ruin that is almost staring them in their face. After protracted and delicate negotiations the three bodies interested in the coal trade of Bengal and Bihar and Orissa i.e. the Indian Mining Association, the Indian Mining Federation and the Colliery Owners' Association agreed upon the essential principles of a scheme of restriction with differences of opinion restricted to certain details such as the constitution of the Board of control. The scheme was submitted to the Government of India in December, 1933.

It is useful to give here its main outlines. The Restriction scheme shall be in force for a period of three years in the first instance, restriction being effected by control of wagon supply. The operation of the Scheme shall be restricted to Collieries in British India, in Bengal, Bihar and Orissa and the Central Provinces. The Standard Tonnage of all collieries shall be the average annual output of the years 1930-31-32. The lowest quota shall be 75% of the Standard Tonnage but the Committee shall have power to vary the quota from time to time as they consider necessary. Collieries in Central Provinces (British India) shall be allotted a quota equal to 100% of their standard tonnage. Sanction shall be sought from Government to amend the Coal Grading Board Act 1925 to allow of all expenses in connection with the working of the Restriction Scheme to be met from funds at the disposal of the Indian Coal Grading Board. The Committee shall deal with all matters arising out of the Restriction Scheme and their decisions shall be final and binding.

1934-35

The final rejection of the restriction scheme outlined above is the most important event of the years under review. In fact it had from the beginning little chance of being ever put into operation. In the earlier stages, there were dissensions within the industry; and later when these differences were made up the Government showed

themselves most unwilling to give legislative sanction to it. After nearly a year of uncertainty, which speculators duly availed of to circulate suitable rumours in the commodity and the stock markets, the Government finally turned down the scheme on the very unconvincing ground that if restriction is needed, it is better achieved by the weaker units being forced out of the trade. This economic anachronism has come as a rude shock to the public not less than the coal trade. And the only relief which the Government has afforded during the year under review is the reduction of the surcharge on freights from 15 to 12½ per cent. subject to a maximum of Re. 1 per ton irrespective of distance.

By insisting on restriction through the closing of the weaker collieries the Government have shown a pathetic faith in the operation of economic laws for which there is less and less warrant in the facts of day-to-day business life. No one in the trade will doubt that, before the so-called inefficient units yield up their last breath, they will have thoroughly disorganised the trade and weakened the most efficient sections of the industry. It may, therefore, be said that there is no chance of improvement either through voluntary restriction or through survival of the fittest. One has, therefore, to look for what may be termed an automatic improvement of conditions in the trade. Though there is, indeed, much of leeway still to be made, it is heartening that the position to-day in the coal industry is distinctly better as compared with a year or a year and a half ago. The price of slack coal is Re. 1 to Rs. 2 per ton higher than eighteen months ago and As. 8 to As. 12 per ton higher than twelve months ago. During the year 1934, the raisings of coal in British India were over 20,100,000 tons as compared with 18,160,000 tons in 1933, and at the end of 1934 the stocks of steam coal held by members of the Indian Mining Association were the same as at the beginning of 1933, while stocks of small coals had decreased by over 200,000 tons. The position of the trade generally at the end of 1934 was therefore healthier but, in spite of the extra demand, there has been no increase in the price obtainable for steam coal, rather the reverse.

This improvement, according to Mr. Whitehead, has enabled the coal industry to receive the adverse decision of the Government with greater equanimity than would have been otherwise possible. It is clear that the position is visibly better and that, given a more careful and wiser policy

on the part of the industry and the Government alike, it would be possible for the coal industry to leave behind the troubles of recent times.

One of the conditions of such progress, namely, a greater fusion of the interests, we have already mentioned. There are also other problems like the equalisation of freight advantage for Bengal coal and that of the C. P. The recent reduction in the surcharge on coal freights from 15 to 12½ per cent. subject to a maximum of Re. 1 per ton irrespective of distance can by no means be regarded as justice to the coal trade. The Chairman of the Indian Mining Federation in his annual address referred to the question of freights at great length ; but there is little sign that the needs of the industry in this regard will be met by the authorities.

In the long view, the more important questions are those connected with the Indian Coal Grading Board and the steps necessary for the conservation of India's coal resources. Founded for the purpose of securing the quality necessary for the export markets, the Coal Grading Board has, indeed, functioned well. It has raised the quality of the export product. But the hope that an improvement in quality would secure an expansion in the volume of our exports, has been altogether belied. By all tokens, Indian coal has lost the markets abroad. And to recall the blunder of the embargo on exports laid at the time of the War would be to indulge in a vain regret. If one puts out of mind the question of exports, there is still a great deal of reconstruction to do about the Coal Grading Board with a view to widening its functions and increasing its usefulness—a point on which the Chairmen of the two bodies seem to be agreed .

As regards the conservation of India's coal resources, it is not generally well-known that the most serious risks of continuing the present conditions is that India might very soon use up uneconomically her resources of coking coal. The depletion of our resources of coking coal would mean that the country would in the future be hard put to it to exploit its iron ore deposits. The Coalfields Committee recommended that the consumers including even the Railways should be induced to use other grades of fuel so as to conserve the best class of coking coal for the production of coke suitable for blast furnace work. The Coalfields Committee also stated that "India will be dependent for her supplies of metallurgical coke on the group of fields lying in the Damodar valley and including Ranigunge and Jharia ; and, although the total amount of coal they contain is undoubtedly very large, the quantity available for coke manufacture is strictly limited. We are not justified at present in placing this at more than two thousand million tons, and when it is realised that the Indian iron and steel industry may depend on these reserves for its future existence, the necessity for their conservation becomes evident." But lately it has been estimated that while the iron ore deposits will meet the country's needs for over 200 years, the life of coking coal deposits is not over 50 years. Such a position clearly calls for the most careful regulation of the coal industry, both on its production and on its consumption side by no less an authority than the State. It is no use to repeat the nostrums of free competition in this context. The Government must sooner or later wake up to the importance of putting the coal industry on a definite basis ; and when that is done, it would be bare justice to assure each unit in the industry a fair measure of profits.

INDUSTRIAL SECTION :

THE INDIAN JUTE MILL INDUSTRY

MAINLY HISTORICAL

Though historical records of a comparatively distant past contain many references to fibres which were closely related to, if not identical with, jute, it was not till the middle of the last century that jute and jute manufacture attained a definite importance in world trade and commerce. Obviously, a variety of fibres were known to the ancients and were in active use; and it would be difficult to determine their identity among those that we know to-day. But it is certain that about the beginning of the nineteenth century the word *pat*, which is so commonly heard in the bazars of Calcutta, had come to denote definitely the botanical species known as *Corchorus capsularis* and *Corchorus Olitorius*. The word jute, however, seems to have been used for the first time in official records by Dr. Roxburgh, the Founder and Director of the Botanical Gardens, Calcutta, who was also the first to see its possibilities as an article of export, in a letter to the Court of Directors of the East India Company, which he sent along with a bale of the fibre in 1805. More followed; and by 1820 jute was being spun for use in carpets at Alington in Oxfordshire. But old prejudices die hard; and in the light of the subsequent progress of jute it should seem strange that it was a standard condition of business in the flax trade in those times that goods for delivery should be "warranted free from India jute."

FIRST EXPORTS OF JUTE

It is natural that jute should attempt its first entry abroad in places carrying on the spinning and weaving of flax and hemp. Dundee had, therefore, a consignment of jute in 1822; but the spinning of this fibre was found to be far from easy; and it took some years before Dundee found how to use them for door mats. Progress, however, though slow, was steady. By 1828, raw jute came to have a separate heading in the Calcutta customs records; and the shipments in that year amounted to 364 cwts. Then whale oil was found to have the property of softening the fibre and making it more easy to spin; and with the spread of this device, the demand for the fibre increased. Exports swelled to 11,800 cwts. within a period of less than five years and the price had doubled itself by 1837. Coffee came to be transported from the Dutch East Indies in jute bags; and with a foreign Government enlisted as a large-scale consumer, the jute industry was firmly established in Dundee.

END OF HANDLOOM INDUSTRY

The development of mechanical production in Dundee had its natural effect on conditions in Bengal. The handloom industry had shown

a surpassing vitality; and up to the middle of the last century India's exports of jute manufactures were more in value and volume than the exports of the raw material. But later on with a rapidly increasing demand for jute from abroad, it became more profitable for the agriculturist to concentrate on the cultivation of jute than to continue a competition in which the odds were against him.

The normal progress of the jute industry was given a sudden and artificial stimulus by the Crimean War which shut out Russia's flax and hemp from the world markets. In the same way, the American Civil War deprived the manufacturers of cheap cotton bags of their raw material. In both these cases jute was the most obvious substitute; and it made most of these opportunities. Its place in world trade was assured. And from this time exports showed a steady and rapid rise. The peak year was 1908-09, when 897,000 tons were exported, with 1927-28 as a close second with exports of 892,000 tons.

EXPANSION OF JUTE MILLS

The establishment of mills in India for the manufacture of jute with European machinery did not begin till after the middle of the nineteenth century. The first jute millowner is reported to be one Mr. George Acland. His original intention was to push *rhea* ahead of flax and hemp and visited Dundee with this purpose in view. But with commendable quickness he appreciated the more useful qualities of jute; and in 1855 he erected the first jute spinning mill at Rishra near Serampore on land which was afterwards the site of the Wellington Jute Mill. Two years later the first weaving factory was erected at Barnagore. With such a conclusive demonstration of the profitability of jute spinning and jute weaving and with the trade showing such remarkable capacity for expansion, other factories followed in rapid succession.

The first power loom was erected by the Borneo Company, of which Messrs. George Henderson & Co. were the agents. Its combination of spinning and weaving proved to be a very decisive factor in its success; and within a few years the equipment and output of the Company were doubled. It was followed in 1862 by the Gourepore and the Serajgunge Mills. The India Mills came on in 1866; and the result was an increase in loomage in the short period between 1869 and 1873 from 950 to 1,250. In 1872-73 Budge Budge, Fort Gloster and Seebpore (later changed to Fort William) were registered in Calcutta and Samnugger and Champdany in Scotland. Before two years were over, Oriental (now Union North), Howrah, Asiatic (now known as Soorah), Clive, Bengal (now Belliaghatta), New Central (formerly

Rustomjee), Hastings and Ganges followed. Such rapid inrush of new mills took up the total loomage to 8,500 and apparently caused a state of temporary disequilibrium in the trade. Only Kamarhatty ventured into the field in 1877. And it was not till 1882 when the mills had over 5,000 looms that the next bout of new ventures started, lasting for about three years. At the end of this the loomage had increased to 6,700, of which 4,900 were sacking and the rest hessian.

Again production outstripped demand; and the obvious need for restriction of output suggested the equally obvious expedient of forming the Indian Jute Mills' Association. Its function has been mainly to bring the producing units together for purposes of regulating the output as and when necessary. No new mills were built in the decade ending 1895. But it is a feature of the jute trade that existing mills had been regularly increasing their loomage and by 1895 the loomage had increased to 9,701, of which 8,117 were sacking. The next quinquennium saw the advent of Gondolpara, Kharah, Alliance, Anglo-India, Standard, National, Delta, Kinnison and the present Lansdowne. The opening years of this century were not marked by any new flotations, but between 1905 and 1910 Dalhousie, Alexandra, Auckland and Northbrook Mills were started; and the loomage went up to 31,755 as against 15,213 ten years earlier. Albion, Angus and the Empire came into the field in time to reap the profits of the War period. And during the War, Caledonian, Lothian, Orient, Waverly, Craig and Bally were added and after the War, Nuddea and Megna, Cheviot, Benjamin (now Presidency), Birla and Hukumchand were the first Indian mills; and later followed the Adamjee, the Premchand Mills, Hanuman, Agarpara and Mafatlal Gangalbhay Mills. In 1921, Ludlow and the American Manufacturing Co. were added to the one American-owned mill, namely, the Angus.

The tables appearing in this volume, giving all the relevant statistics of acreage and crop, mills' consumption and exports of raw jute and exports of jute goods will afford a more complete and more accurate story of the development and expansion of the jute mill industry. It should suffice here in this descriptive note to point out that, if we put of mind the years 1930-34 which form the period of the depression, the history of the jute mill industry during the War and post-War period is one of unbroken progress. The area under jute increased from 31.69 lakhs acres in 1913-14 to 34.85 lakhs in 1929-30. Production expanded from 87.59 lakhs of bales in the pre-War year to 121.87 lakhs in 1926-27. The Indian mill consumption progressed with but few setbacks from 43.74 lakhs of bales to 62.46 lakhs in 1929-30. The export of jute and jute manufactures in 1925-26 amounted to Rs. 96.79 crores out of a total of Rs. 374.84 crores, from which there was a natural reaction. But so late as 1928-29 the figure stood at Rs. 89.25 crores. From that peak, it has come down to about Rs. 33 crores for reasons which will be entered into in a later section of this article, but there can be no doubt about the vitality of this industry or its capacity to stand competition from rival goods.

THE CULTIVATION AND MARKETING OF JUTE

Bengal holds a virtual monopoly of the production of raw jute. The two varieties of jute

mentioned in the previous section are grown exclusively in the deltaic region common to the mighty river systems of the Ganges and the Brahmaputra. Thus the crop is confined to Bengal, Assam and Bihar and Orissa, as also the Native State of Cooch Behar. Madras and Bombay possess little fragments of land suitable for cultivation of a fibre most akin to jute; and one or two mills are in existence there which utilise the product in manufacture. The normal area under jute is about 30 lakhs acres and three millions may be said to depend on its cultivation for their living.

Jute is most luxuriant in a loamy soil. The inundation of the Ganges and the Brahmaputra leave rich deposits of alluvial soil; and the cultivator is, therefore, spared the expense and trouble of providing manure. Once planted, the crop requires little attention for a long time. The finishing stages, however, entail hard and very irksome labour. For to separate the fibre from the wood, the crop has to be steeped in water for two or three weeks. Retting, as this process is called, requires the cultivator to stand in water for long hours. The fibre is separated by beating the stems with wood. Then it is washed and dried and made ready for disposal.

The marketing of jute, so far as the cultivator is concerned, is not different in essentials from the marketing of other agricultural produce in India, though it must be remembered that jute is what is called a money crop for which the individual cultivator has little or no need. Moreover, the bulk of the demand comes from the indigenous mills, who have a strong and powerful organisation and for whom the buying of jute at the best prices is not a seasonal or an intermittent operation. The organisation of the mill and other interests has wide ramifications in the jute areas. The cultivator is, as a rule, in debt and the creditor has *de facto* the first claim on the produce. It may reasonably be suggested that jute passes from the cultivators through the hands of those who represent a blend of the moneylender and the agent acting on behalf of the urban interests. A multiplicity of middlemen is detectable here. The cultivator sells his jute through a *faria* to the *bepari*, a small dealer who acts on behalf of his principal, the *aradhar* or *mahajan*. The *mahajan* sells to the agent of a mill; or there is one more link in the chain, the broker or baler butting in between the mill and the *mahajan*. Then the jute finds its way to Calcutta or Chittagong by rail, river or road to be consumed by the mills or exported abroad.

The place of the "futures" market in the organisation of the jute trade calls for special mention. Jute offers peculiar attractions to the speculator. Unlike cotton, for instance, which is grown in many parts of the world, jute is grown only in and about Bengal. Demand for the commodity is steady. But at the same time, uncertainties in regard to weather, conditions of the crop and extent of demand at any given time for jute products render it extremely fitted for speculative operation. There is more than one organisation in Calcutta which affords facilities for such operations. But the most important body is the East India Jute Association which has been formed mainly on the lines of the East India Cotton Association and it aims at discharging the same functions to the jute trade as the former renders to the cotton trade in the Western Presidency. The rules of the Association are so framed as to

keep the business of its members as far removed from wager and gamble as possible. But the best futures markets of the world have not invented any infallible means of preserving the strictly *bona fide* character of the business; and in the case of the E. I. Jute Association also criticisms of an adverse kind have often appeared in the Press. It must be admitted, however, that the Association has succeeded in ensuring more of free play for the forces of supply and demand.

PROBLEM OF RESTRICTION IN THE JUTE INDUSTRY

As indicated already in the earlier sections of this article, the years of the economic depression had been a trying time for the jute mill industry and those who are connected with it. Our exports of jute and jute manufactures have fallen in volume and value. The acreage and production of raw jute were practically halved as compared with two years before. Prices were every day digging new record lows. And the jute mills were obliged to devise new schemes of restriction in a vain endeavour to keep pace with the fall in demand. The world economic depression has undoubtedly, a large place in the troubles of the jute industry. The movement of the chief agricultural crops like cotton, wheat, coffee, etc., has been restricted by the state of the consuming markets and this brings about a serious decline in the foreign consuming demand for jute. While this factor may be properly appraised without any attempt to underrate its importance, it must not be forgotten that the position of jute in Bengal enables the mills to acquire a certain degree of immunity from world causes of an adverse kind. Possessed of a complete monopoly of the raw material and a virtual monopoly of those lines of jute manufactures in which the Calcutta mills are engaged, it should always be possible by the regulation of output to save the industry from severe losses or an altogether sterile working. Even in the early stages of the history of the jute industry temporary disequilibrium between supply and demand was not unknown. In fact, the Jute Mills' Association was first formed to combat such a danger.

The history of the jute industry during the last few years is largely the history of more or less restriction of output. We have shown in the first section of this article the vast expansion in the jute industry during the War period and the years immediately succeeding it. This expansion was due to the fact that the new entrants into the field did not see the place of the War in the economic demand for jute products during that period. When this was more clearly borne in on the jute mills they agreed to a scheme of restriction of output which lasted till June 30, 1929. The members of the Indian Jute Mills' Association had probably a variety of motives in abandoning restriction in that year. There was, first of all, the feeling that demand had expanded considerably since the agreement amongst the jute mills was first concluded. The clearest proof of this was to be found in the fact that the jute mills in Dundee and on the Continent of Europe had been increasing their loomage and their consumption of raw jute. Even at home new mills were being established; and the obvious result of the continuance of restriction was that other producing units were reaping the benefits of prices which were maintained at that level only by the action of the Association. In these

circumstances, the abandonment of restriction was an act of bare commonsense.

But reference must also be made here to the feeling in certain circles that the motive of the jute mills at that time was to hit the Indian mills which had just ventured into a field, till then practically an exclusive preserve of the European mills. Though it is not for anyone, except those in charge of the mills to deny such allegations, yet it must be remembered that this contention has value and relevance only in a controversy in which the main issue is whether the Indian mills harmed in that way should avail of the earliest opportunity to return tit for tat. Be that as it may, after a somewhat prolonged consideration, the jute mills decided in November, 1928, to increase the working hours from 54 to 60 hours per week. But the new arrangement was to begin from July 1, following. The change was not very old before it became apparent that it could not be persisted in except at the peril of the industry itself. The demand for short hours was widely made. The mills took time to recognise the position. And even after the recognition came, it was not easy to come to an agreement as to the remedies. Finally it was decided to revert to 54 hours. The inadequacy of this measure suggested the closure of the mills for three weeks in the latter half of 1930, the exact time to be determined by each mill and, of course, day notified to the Association. It is curious how the need for restriction grew with every new measure designed towards that end. The reduction of working hours to 54 led to the closure of the mills for three weeks. And the closure of the mills after it ceased, was followed by a further restriction of working to 40 hours per week. Then it was decided to seal up 15 per cent. of the looms of every member of the Indian Jute Mills' Association. The remaining 85 per cent. of the looms running 40 hours per week is equivalent to the full complement of looms working 34 hours per week, a reduction of 43 per cent.

It may be thought that so drastic a restriction of working cannot fail to produce better conditions. But difficulties arose at this stage which, but for there being a late and unexpected development, are the same as those on which all schemes of restriction have foundered. The very severity of the restriction was an inducement for those who are outside its scope to increase their production. The non-member mills which owned about 5 per cent. of the total loomage of the industry increased their equipment and working hours. Their overhead costs were lower and their margin of profits increased. The sight of this development tempted even members of the Association to desert its ranks. And so a position was reached in which the output of the non-restrictionists amounted to as much as 14 or 16 per cent. of the total production.

These developments brought matters to a head. While the need for restriction was becoming more and more urgent, the Association mills exhibited a decided reluctance to impose any more restrictions on themselves unless they had the whole industry with them. This was interpreted, and rightly, by the non-Association mills as a bid for their support. And attempts were made to raise the bid. Protracted negotiations and increasingly stiffened attitudes were the result. The markets all the time were going from bad to worse; and

interest in the question spread to the general public as the ruin of the jute industry spelt the ruin of the whole province and even interests far transcending the province. A vigorous press agitation was in progress to induce the Government of Bengal to interfere in the public interest in the negotiations between the two sections and either bring about a settlement or impose one by legislative enactment. His Excellency the Governor took a keen personal interest in the negotiations, the more so, as he was opposed on principle to the interference of the State in the affairs of an industry. But the final outcome was not exactly a compromise, as may be seen from the points which were agreed on in the second conference of jute interests which was held at the Government House under the presidency of Sir John Anderson himself.

The main points settled were:

(1) That the deposit money which the Adamjee mills forfeited on account of its secession from the Association should be refunded.

(2) That the Association mills should work 40 hours a week, while the non-Association mills should be free to work 54 hours a week.

(3) That the latter should be allowed to work their full complement of looms while the former are to have 15 per cent. of their looms scaled up.

The restriction agreement between the Association and the non-Association Mills brought about through the intervention of His Excellency Sir John Anderson worked smoothly through the year, so far as the relations between the two groups of mills are concerned; but by the end of 1933-34 it was clear that the restriction scheme called for a revision. For the foreign competitors of the Indian Mills were able to increase their share of the market; and this was seen in the steadily increasing exports of raw jute from this country. The foreign mills had the advantage of working to full capacity and of under-quoting the Calcutta mills because of the low overhead charges. Just as in previous years the benefits of the restriction of production by the Indian Jute Mills Association went largely to the non-Association Mills, in the year 1933-34 the benefits of restriction in the Indian mills went to the non-Indian Mills. Through it is generally believed that there has been no expansion of productive equipment in foreign countries, it must be admitted that it is absurd to continue a restriction scheme which undermines their competitive capacity by higher costs of production. The Indian mills fought shy of revising the restriction agreement; for it is quite conceivable that increase of working in India might involve all producers alike in a common ruin. But the rate at which the exports of raw jute increased left no room for doubt that, unless the Indian jute mills make their competitive power felt abroad, the foreign mills would go on increasing their output.

Apart from the danger of expansion of production in foreign countries the Indian mills are faced with another obstacle for the success of their restriction scheme. A number of small mills, who are outside the restriction became a grave menace. These mills, taking advantage of the res-

tricted output by other mills, and the low cost of jute, worked day and night and thus improved their own position.

Thus, competition from both foreign companies and small internal companies not participating in any restriction, not only did not allow the Indian Mills to reap the full benefits of restriction, but they also threatened the future well-being of the industry in India. The Indian Jute Mills Association, therefore, approached the Government to pass legislation to increase the export duty on raw jute, while reducing the duty on manufactured goods, and restrict the hours of working on the jute mills to 54 hours a week. But the Government did not approve of the suggestions made by the Indian Jute Mills Association.

With compulsory restriction thus ruled out, the Indian Jute Mills made up their minds to release all the sealed looms gradually by instalments. Out of the 15 per cent. sealed looms, the mills have already released from seal 5 per cent. in two instalments in November, 1934, and May 1935. They have further decided to open another 5% in August and November 1935 and expect to release all the sealed looms gradually.

The enormous increase of substitute fibres in foreign countries was another factor which threatened the prosperity of the jute industry. The Jute Mills Association was not blind to this fact. A committee was appointed to examine the whole question and find out new uses for jute by Research work. Dr. S. G. Barker, an expert from England, was invited to India to study the problem and submit a report. Travelling Agents in all important foreign markets were appointed to study how far these substitutes have invaded the markets and report to the Committee the possibilities of expansion of the market for jute manufactures. We understand Dr. S. G. Barker has already submitted his report to the Committee and that the whole matter is under consideration.

The reform of the jute Futures market and the participation of all jute organisations in the management of the Futures Market was another welcome development. The various jute trade organisations in Calcutta submitted a memorial to the Government of Bengal alleging improper management of the futures market by the East India Jute Association. The East India Jute Association also submitted a

counter-memorial in their defence and finally the whole controversy ended with the Government's reply refusing to intervene in the matter and suggesting that the remedy was in the hands of the trade itself. The East India Jute Association expressed their willingness to bring forth such changes in their rules as may be found necessary, if the trade organisations were willing to participate in the management of the Futures Market. Finally, an amicable settlement was arrived at and a Board of control, comprising all interests in the jute trade, was formed and control of the Futures Market was vested in the Board.

The large problems of the jute and industry and the profound public feeling on the low price of jute consequent on the large carry over of stocks every year, received the attention of the Government of Bengal. They appointed a Jute Enquiry Committee for examining the conditions of jute cultivation and marketing. The Jute Enquiry Committee were not unanimous in their views. Among the various recommendations made by the Committee the two important recommendations are:—

(1) Better organised and more intensive propaganda should be carried out to inform cultivators, as far as possible, regarding the stocks of raw and manufactured jute in India and abroad so as to assist them in deciding what area of jute is likely to secure them in deciding what area of jute is likely to secure them an adequate return for their produce.

(2) A Jute Committee should be established by statute. Its function will be advisory and it will carry out agricultural, technological and statis-

tics research such as the improvement of crop forecast and statistics, the production, testing and distribution of pure seed; enquiries and recommendations relating to marketing and transport facilities and transport routes; the improvement of marketing and dissemination of information in the interests of the jute industry.

With regard to regulation of production of jute crop, the Majority was quite opposed to any form of compulsory restriction of sowings, while the Minority was opposed to any legislative control at the initial stage. The Committee were, however, unanimous in their recommendation to carry on effective propaganda for voluntary curtailment of the crop.

The price of jute, meanwhile, came down to ridiculously low levels. Public opinion was stirred up and there was profound agitation both in platform and press for Government action. At length the Government put the recommendations of the Committee before a Board of Economic Enquiry for final consideration and evolve a scheme. The scheme adopted by the Board of Economic Enquiry was an elaborate scheme of propaganda for voluntary restriction of jute. They fixed up the quota for restriction by 5 annas or 31 per cent. Though the public did not repose much confidence in the success of a voluntary restriction scheme, the Government with the help of the local officials and with the full support and co-operation of non-official bodies throughout Bengal, carried on vigorous propaganda for restriction of sowings. Reports received from the jute districts show that the efforts of the Government with produce tangible results.

INDUSTRIAL SECTION

THE COTTON TEXTILE INDUSTRY

The place of the cotton textile industry in the national economy of India is second only to that of agriculture. Alike in capital sunk, in the volume of employment which it creates and in the net addition to the total wealth and annual income of the country, it has hardly a rival among our industries. And what is as important, if not more, it has had, for various reasons, a peculiar hold on the affection and allegiance of the public. Its decline in the latter half of the seventeenth and eighteenth centuries was regarded as the symbol, as much as the result, of the country's political subjection; and from that time to this its progress has been in the public mind equivalent to the progress of our political and economic emancipation.

This is only understandable, for India was the birthplace of the cotton industry. The best of our cotton manufactures are still unsurpassed in the fineness of their texture and their superb finish. Historians of various ages and climes are agreed that India enjoyed a glorious export trade in cotton fabrics. Its decline, which could have been brought about by the mechanical improvements of the West, actually followed a deliberate policy on the part of the British Government both here and in Great Britain to crush the Indian industry in the interests of Lancashire. It is unnecessary to dwell on this policy as it was the sole substance of the political agitation during the earlier part of the last half century. But the unnatural end of the historic cotton industry of India did not, as indeed, it could not, affect our natural advantages for the development of a cotton mill industry on modern lines. In fact, the first cotton mill was started in Calcutta with English capital by persons who saw that the saving in freights to and fro would be sufficient to outweigh the other disadvantages that might arise from unskilled labour and the import of machinery from abroad. But nature had designed Bombay as the home of the Indian Cotton Mill Industry. The beginning was made by two Englishmen; and the first Indian mill was established in 1856 under the management of a Parsi gentleman. More followed in rapid succession; and the progress up to the year 1880, may be gauged from the following table:—

Year	No. of mills	Spindles (In thousands)	Looms	Labour
1851	1	29	...	5.
1866	13	309	3.4	7.7
1876	47	1,100	9.1	
1877	51	1,244	10.3	
1880	56	1,461	13.5	44.4

From the year 1879-80 more complete statistics are available; and the table below shows the

development of the industry for the quinquennial periods up to 1903-04 and for the two years thereafter.

	No. of mills at work.	Nominal capital (in lakhs Rs.)	Persons employed in	Looms thousand	Spindles.
1879-80 to 1883-84	63	6,57.6	51.0	14.5	1,610.6
1884-85 to 1888-89	93	8,87.9	75.7	18.2	2,296.8
1889-90 to 1893-94	127	11,61.1	1,16.1	25.3	8,263.8
1894-95 to 1898-99	156	14,19.5	1,50.0	36.6	4,046.1
1899-00 to 1903-04	195	16,87.9	1,71.6	42.0	5,000.9
1904-05	203	17,57.5	1,96.4	47.3	5,195.4
1905-06	204	17,19.7	2,12.7	52.3	5,293.8

At the beginning of the War the Indian mills were 241 in number with a spindleage of 6.3 million and a loomage of over 92,000. The total production of the industry, according to the estimates of the Tariff Board presided over by Sir Frank Noveck was 688 million lbs. of yarn and 1,164 million yards of cloth, exclusive of hand-spinning and handweaving; as against 353 million lbs. and 422 million yards in the beginning of the century.

Thus at the date at which it is usual to take a halt in any historical review of industries the cotton mill industry had shown a remarkable expansion. There was also a marked alteration in its character. It passed from an essentially spinning industry, exporting more than half its production, to a weaving industry using imported yarn in its products. And this, in spite of the fact that the number of spindles had increased by 39 per cent. and the number of looms by 142 per cent.; the essence of the change referred to 115,818; the number of spindles per loom falling from 119 in 1898-99 to 68 in 1912-13.

The five War years witnessed the continued operation of the tendencies apparent in the earlier period. By August, 1918, the number of mills increased to 249, the number of spindles to 6.56 million and the looms to 115,818; the number of spindles per loom also fell to 56. Further expansion was retarded by the difficulty of obtaining machinery from Britain; but production was all the same increased. Other important features during this period were the loss of the export trade in yarn—which was due partly to the competition of Japan in the East and partly to the increase in the domestic demand and the increasing shares of Japan in the home trade.

The three years immediately following the end of the War were a period of abounding prosperity for the cotton mill industry in India. The prosperity of the mills, together with the fact that owing to the high rate of sterling exchange for the rupees, foreign machinery was cheap, orders for new machinery both for old and new mills were freely placed. But when the deliveries were made, the rupee had fallen and importers met with severe losses. Conditions in the domestic market had undergone a marked change. A crisis of first magnitude developed in the imported piece-goods. Dealers looked at their burnt fingers and shunned all stocks, foreign and indigenous. The neglect of foreign markets for Indian yarn, of which mention has already been made, began to aggravate the troubles in the spinning section. And by 1926, it would be true to say that the cotton mill industry, at any rate in Bombay, showed all the characteristic features of a trade depression following an intensive boom period. And not the least of those features was the painful, almost calamitous, disillusionment of many who had partaken in the numerous conversions of the proprietary mills into joint stock concerns. With the depression came the question of reduction of wages which had been increased not exactly during the time of the boom, but in its closing stages. For the worst of wages is that they do not move in accord with the prosperity or the slump in the industry. The rise in wages was resisted by the mills; and later the fall was opposed by the labourers. The result was, more especially in Bombay, a series of strikes, from which no good flowed except a reduction in the swollen stocks.

These conditions led to the Tariff Board enquiry of 1926, and its terms of reference were:

(1) To investigate the condition of the cotton textile industry in India, with special reference to the industry in Bombay and Ahmedabad;

(2) To examine the causes of the depression in the industry and to report whether they are of a temporary or permanent character;

(3) In particular, to consider whether, and if so to what extent, the depression is due to the competition of other countries in the home and export trade;

(4) To report whether, having regard (i) to the fact that the industry has long been firmly established in India, and (ii) to the interests of the consumer and to all other interests affected,—

(a) the industry is in need of protection;

and

(b) if so, in what form and for what period protection should be given; and

(5) to make any other recommendations that are germane to the subject.

The Tariff Board confirmed the impression conveyed by its terms of reference that the plea for protection was made with far greater importunity by Bombay and Ahmedabad than the mills outside. And even as between these two cites the former was in a worse position than the latter. In fact, Bombay has certain permanent disadvantages as compared with other centres, e.g., the higher wages of a highly urbanised area the higher costs of fuel and power, remoteness from the sources of raw cotton and the chief markets for finished goods; and these can be offset by advantages in regard to cost of stores, of insurance and of office expenses only if the management makes the

best of the later and reduces the former to its irreducible minimum.

The other questions were necessarily of a more complicated kind, as the conditions of the mill industry had to be examined in relation to the piecegoods market which was itself subject to violent external forces. There was no doubt that the loss of the Chinese market was an important cause of the depression. There was no doubt, too, that there was some degree of unfair competition from Japan which was having longer hours of work and employing women labour to more than the legitimate extent. And so far as Bombay was concerned, it suffered as much from the competition of other Indian mills as from the factors mentioned above. The remedy which the Tariff Board suggested was the variation of products; and to this end they recommended a bounty for the spinning of higher counts.

It would be appropriate at this stage to give a short history of the tariffs on cotton goods in India, without going into the controversy that has always waged round it in apparent disregard of incontrovertible facts. The Indian Tariff Act of 1894 imposed a duty of 5 per cent. on all imported cotton yarns and fabrics; and at the same time an excise duty of 5 per cent. was levied on the production of yarn above 20s. Later in 1896 Government, under pressure from Lancashire interests and on the pretext of free trade, removed the duty on cotton yarn and reduced the duty on cotton fabrics, imported and produced locally, to 3½ per cent. The injustice to the local industry continued till the financial necessities of the War time and the pressure of a growing public opinion forced Government to raise the import duty on cotton fabrics to 7½ per cent. In 1921, a similar need brought about a further enhancement of the duty to 11 per cent., the excise duty remaining unaltered all the time at the level of 3½ per cent. In 1922, imported cotton yarn was subject to a revenue duty of 5 per cent. And in 1926, the excise duty was finally abolished.

But the advantage derivable from the increased duty was neutralised largely by the eighteen pence ratio which was unquestionably a substantial aid to importers into India. The industry felt the disability very keenly; and to this were added the disastrous effects of strikes, with the result that the cotton mill industry, especially of Bombay, had an unbroken tale of woe. Mr. G. S. Hardy, the Collector of Customs at Calcutta was deputed to enquire into the possibility of replacing the *ad valorem* duties on cotton piecegoods with specific duties, and to examine the condition of the trade since the report of the Tariff Board in 1926. Mr. Hardy's report was to the effect that the administrative difficulties involved in a system of specific duties were a conclusive argument against it and that, so far as the trade was concerned, Japanese imports Lancashire and latterly to the detriment of the Lancashire and latterly to the detriment of the Indian mills.

The budget for 1930-31, therefore, provided for an increase of the import duty on cotton piecegoods from 11 per cent. to 15 per cent. and the Government proposed to levy an additional 5 per cent. on all non-British cotton goods for three years. An amendment in the Assembly deprived Lancashire of the preference in respect of grey goods which constitute the bulk of the production of Indian mills. The Supplementary Budget of September, 1931, imposed a surcharge of 25 per cent. on cotton piecegoods in common with all other imports.

At the time the last mentioned changes were made, the Government of India made it clear that the protection was given purely as a temporary measure dictated by the necessities of the moment and not as the final decision of a considered policy. "The object in view," in the words of the Commerce Member, "is not the development of the industry but its preservation," the provision of a shelter behind which the industry could make genuine efforts for a reorganisation. It was also made clear that Government did not expect the mills to venture on new ground such as the production of finer yarn or the weaving of higher quality goods and that the whole question would be gone into again at the expiry of a period of three years dating from March, 1930. But it is necessary to remember, and it is a matter for gratification, that the grudging and halting manner in which the Government were prepared to succour the industry was more than made up by the intense passion for *Swadeshi* which has seized the people during the years in which the Civil Disobedience movement was at its strongest. The Congress had during this period, especially in the earlier part of it, thrown its full weight in favour of the indigenous manufactures; and in spite of the official displeasure and the opposition of foreign interests the Congress Executives all over the country succeeded in binding the mills to a policy of strict *Swadeshi* in their production. Thus with mills bound over to the use of Indian made yarn, and foreign cloth shops and dealers subjected to unintermittent picketing, and the masses themselves taking spontaneously to an unqualified patronage of Indian piecegoods, the cotton mill industry in India came to furnish the sole instance in the whole world of an industry which made headway during the unprecedented depression.

Statistical data in regard to the cotton mill industry and the cotton piecegoods market in which the indigenous industry is only one of the principal competitors are given in part at the end of this article and in part in the trade tables. Taken together they show that the principal features of this trade are that the Indian mills have made tremendous headway; that the British cotton mill industry lost its hold on the Indian market and that the Japanese are the most formidable competitors to the indigenous mills in a number of lines. The threat of Japanese competition became more serious with every fall in the value of the yen as against the rupee. During the period in which Japan remained on the gold standard after India's abandonment of it, the Japanese industry suffered to that extent a very considerable handicap. Afterwards the handicap was scratched when the yen went off gold. In the middle of 1932 Japan showed clear signs of a desire to stabilise the yen at a very low value in terms of the pound. This increases the dangers to which the indigenous industry and particularly Bombay, which is the least efficient part of it, are exposed. The Bombay mill industry grounded its appeal for an examination of its claims by the Tariff Board on a number of factors; but the devaluation of the yen lent forcible point to Bombay's demand.

Japanese dumping was so persistent and embraced so many commodities that the Associated Chambers of Commerce and Industry in their annual session in 1933 appealed to the Government of India to take powers to levy emergency duties with a view to protect indigenous industries exposed to such unfair competi-

tion. The necessary legislation was passed through the Assembly in the 1933 budget session.

With regard to cotton, the resolution of the Government of India dated 25th July, 1932, referred to the question of increased duties on cotton piecegoods not of British manufacture to the Tariff Board for an "immediate enquiry." The terms of reference were:—

"To report whether cotton piecegoods not of British manufacture are being imported into British India at such a price as is likely to render ineffective the protection intended to be afforded by the duty imposed on such articles under Part VII of the Second Schedule of the Indian Tariff Act, 1894, by the Cotton Textile Industry (Protection) Act, 1930, to similar articles manufactured in India; and, if so, to consider—

(a) to what extent, if any, the duty on cotton piecegoods not of British manufacture should be increased and whether in respect of all cotton piecegoods, not of British manufacture, or in respect of cotton piecegoods, plain, grey only, or of cotton piecegoods, others, only;

(b) whether the duty should be increased generally, or in respect of such articles when imported from or manufactured in any country or countries specified; and

(c) for what period any additional protection found to be required should be given, and to make recommendations."

On September 2nd, the report of the Tariff Board was published and on August 30, came the full text of the resolution of the Government of India and the report of the Tariff Board. The decision then made was that the *ad valorem* duty on cotton piecegoods, not of British manufacture, which was fixed by the Cotton Textile Industry (Protection) Act, 1930, at 20 per cent. and to which surcharges amounting to 11½ per cent. have been added for revenue purposes by the Finance Act of 1931, should now be raised to 50 per cent., subject to a minimum specified duty of 5½ annas per lb. on plain grey piecegoods; and that the increased duties will take effect immediately and will remain in force till March 31, 1933, and will not be subject to the surcharges imposed by the Indian Finance Act of 1931 and the Indian Finance (Supplementary and Extending) Act of 1931.

The consideration which impelled the Tariff Board to recommend the increased duties was mainly the depreciation that had taken place in the exchange value of the yen. They had, however, to examine the question whether the advantage of a depreciated currency was not offset by Japan having to pay an increased price for import of raw materials from abroad.

The following extract gives the plan and the method by which the Tariff Board arrived at the view that the duty required in the situation caused by the depreciated yen was 53 per cent. :

"In our calculation we assume the net import price (ex. duty) of piecegoods in March, 1930, to have been 100. We take into account the protective duty on non-British goods at 20 per cent. and we leave out of our reckoning the surcharges introduced for purely revenue purposes. We put the fall in the price of raw cotton since March, 1930, at Rs. 250 and the current average rate for July-August delivery at Rs. 170. The proportion which the cost of raw cotton bears to the selling price of finished piecegoods has been taken approximately at 40 per cent. in the classes of goods similar to

those made in Indian mill. We find the fall in the rupee-yen exchange since March, 1930, rate 138.6 and the current rate at 106.

	Net price ex. duty	Fair selling Duty price
Price of piecegoods in March, 1930 ...	100	20 120
Corresponding price at current price of cotton : 100 minus $40 \times 32/100$...	87	17 104
Net price at current yen exchange : 87 minus 22 per cent. ...	68	... ..
Duty required for fair selling price : 104 minus 68 ...	36	...
Equivalent <i>ad valorem</i> rate of duty : $36/68 \times 100$...	53	per cent.

It is significant that at the time the Government of India announced their decision to grant the additional protection, the figures employed by the Tariff Board in its calculations had become obsolete by a further depreciation of the yen.

And further action was rendered necessary by the inadequacy of the protection awarded against dumping. And in the middle of 1933 the Commerce Department issued the following notification :

"In exercise of the powers conferred by subsection (5) of section 3 of the Indian Tariff Act, 1934 (VII of 1894) and in supersession of the notification of the Government of India in the Department of Commerce No. 341-T (164), dated the 30th August, 1932, as amended by Notification No. 341-T (5) 33, dated the 31st March, 1933, the Governor-General-in-Council is pleased to increase the duty chargeable under Part VII of the Second Schedule to the said Act on the articles specified in the annexed table to the extent set forth therein.

Articles with number of entry in Part VII of the second schedule under which duty is chargeable.

Cotton piecegoods (other than fents of not more than nine yards in length)—(A) Plain grey that is not bleached or dyed in the piece, if imported in pieces, which either are without woven headings or contain any length of more than nine yards which is not divided by transverse woven heading. Not of British manufacture.

(B) Others—Not of British manufacture.

Present rate of duty.	Increased rate
5½ annas per lb.	6½ annas per lb.
50 per cent.	75 per cent.

It is obvious that such piecemeal action cannot by any means form any permanent solution of the problems of the textile industry. The growth of India's cotton mills and the fact that India is an equally valuable market for Japan and Britain alike invested the problem of the Indian cotton textile industry with an international importance. In the belief that the cotton textile industry could be treated in the traditional way of affording the maximum protection consistent with the interests of Lancashire, or, to put it in another way, the minimum protection consistent with internal peace, the Government of India referred the question to the Tariff Board. Before the Board could complete the report, the menace of Japanese dump-

ing grew to unexpected proportions. The Tariff Board had to issue an emergency report. By the time the full report was submitted in September 1932, the relative importance of the various considerations governing the Government's policy had changed. And thus was India treated to the strange spectacle of Government taking piecemeal action, while at the same time holding back from the public the results of a full-fledged Tariff Board enquiry. The Government, presumably in deference to the wishes of Whitehall, could do nothing that could prejudice the chances of Japan and Britain coming to an agreement on the question of the market for piecegoods in the Far East. The report of the Tariff Board, which was published in the middle of 1934, thus lost all practical importance, as compared with the Indo-Japanese Trade agreement and the Mody-Lees Pact, which was concluded between Mr. H. P. Mody and Sir William Clare-Lees the representative of the British Cotton textile interests, who conducted the futile talks with the Japanese Trade Delegation in India. The conclusions of the Tariff Board enquiry are set out in the tabular statement appended at the beginning of the Industries section of the *Year-Book*. But what the Government did to the cotton textile industry was only to incorporate in the Cotton Textile (Protection) Act of 1934 the provisions of the Indo-Japanese Trade Agreement and the Mody-Lees Pact, the contents of which are summarised below :—

TEXTILE AGREEMENTS.

INDO-JAPANESE AGREEMENT.

(1) Japan and India shall reciprocally accord the 'most favoured nation treatment' to any article, the produce or manufacture of the other country.

(2) Negotiations to be held concerning the modification of customs tariff, subject to the reservation by both countries of the right to make such changes in their customs tariffs as may be necessary for the protection of their own interests.

(3) The Government of India shall have the right of imposing or varying from time to time special rates of customs duty on articles the produce or manufacture of Japan other or higher than those levied on similar articles the produce or manufacture of any other country at such rates as the Government of India may consider to be necessary to correct the effects of any variation of the exchange value of the yen relative to the rupee subsequent to December 31, 1933. Reciprocally, the Government of Japan shall have the right of imposing or varying special rates of customs duties similar to those to which reference has just been made on articles the produce or manufacture of India under similar circumstances and subject to similar conditions, provided that such right should not accrue to the Government of Japan, unless the exchange value of the rupee relative to the yen shall be depreciated below the value of 1732 yen.

(4) The Customs duties to be imposed by the Government of India on Japanese cotton piecegoods should not exceed the following rates : duty on plain greys 50 per cent. *ad valorem* or 5½ annas per pound; duty on others 50 per cent. *ad valorem*. It is understood that the Government of India shall not impose on Japanese cotton piecegoods other than plain greys a specific duty exceeding 5½ annas per pound subject to the agreement concerning the most favoured nation treatment.

(5) The quantity of Japanese cotton piecegoods to be exported to India in the period of one year beginning from the 1st April shall be limited within a quota which shall be fixed in accordance with the quantity of Indian raw cotton exported to Japan in the period of one year beginning from the 1st January of the same year.

(6) (i) Basic quota of Japanese cotton piecegoods to be exported to India in a piecegoods year shall be three hundred and twenty-five million (325,000,000) yards and it shall be linked with one million (1,000,000) bales of Indian raw cotton exported to Japan in the corresponding cotton year; (ii) In case the export of Indian raw cotton to Japan in any cotton year should fall below one million (1,000,000) bales, the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by reducing the above basic quota at the rate of two million (2,000,000) yards for every ten thousand (10,000) bales of deficit; (iii) In case, however, such export in any cotton year should exceed one million (1,000,000) bales the quota of Japanese cotton piecegoods for the corresponding piecegoods year shall be determined by increasing the above basic quota at the rate of one million and five hundred thousand (1,500,000) yards for every additional ten thousand (10,000) bales, provided that the quota should in no case exceed four hundred million (400,000,000) yards; (iv) In case the export of Indian raw cotton to Japan in any cotton year should exceed one million and five hundred thousand (1,500,000) bales the quantity thus exported in excess of one million and five hundred thousand (1,500,000) bales shall be for the purpose of determining the relevant quota of Japanese cotton piecegoods added to the quantity of raw cotton exported to Japan in the following cotton year; (v) In respect of both cotton piecegoods and raw cotton the exported quantity shall be deducted from the exported quantity. (2) Two half-yearly instalments of the quota: (i) A piecegoods year shall be divided into two half-yearly periods the first half-yearly period running from the 1st April to the 30th December and the second half-yearly period from the 1st October to the 31st March of the following year; (ii) The quota for the first half-yearly period shall be two hundred million (200,000,000) yards; (iii) The quota for the second half-yearly period shall be provisionally fixed at the quantity which will be derived by deducting two hundred million (200,000,000) yards from the yearly quota calculated on the basis of the estimated export of Indian raw cotton to Japan in the corresponding year. The adjustment of the export of Japanese cotton piecegoods to India shall be made by the end of the said period on the basis of the exact quantity of Indian raw cotton exported to Japan in the corresponding cotton year, subject to the rules of the allowances between the periods; (iv) A transfer from the quota of the second half-yearly period shall be permitted up to a maximum of twenty million (20,000,000) yards from the second half-yearly period to the first half-yearly period of the succeeding piecegoods year and *vice versa*. (3) The quota of cotton piecegoods shall be classified into the following categories in conformity with the following percentages: plain greys forty-five (45) per cent., coloured and other thirty-four (34) per cent. The percentage allotted to each of the above categories may be modified subject to the following conditions: (1) The increase in the category either of bordered greys

or bleached shall not exceed twenty (20) per cent. of the quantity allotted to that category and the increase in any other category shall not exceed ten per cent. of the quantity allotted to that category; (ii) The quantity transferable from the category either of bordered greys or bleached shall not exceed twenty (20) per cent. of the quantity allotted to the category and the quantity transferable from any other category shall not exceed ten (10) per cent. of the quantity allotted to that category and (iii) The total quota of cotton piecegoods for any piecegoods year shall not be increased by the above modification of the quantity allotted to each category. (4) It is to be noted that the provision that the allotment for the first part of the cotton piecegoods year shall be 200 million yards in the event of the purchase of raw cotton by Japan being less than the quantity which would justify a total yearly quota of this amount. (5) It has been agreed upon that the terms of the new treaty shall remain in force throughout its full term whether or not Burma is separated. The treaty shall come into effect immediately after the exchange of ratifications and shall remain in force until the 31st March 1937.

INDO-BRITISH TEXTILE AGREEMENT.

Following the conferences between representatives of the Indian and British Cotton Textile Industries which opened in Bombay on 19th September, 1933, an understanding has been reached to which the respective parties are the Millowners' Association, Bombay, and the British Textile Mission to India:—

The following headings of agreement have been adopted on the assumption that the cotton duty is not increased above the present level of half an anna per pound:—

(1) It was agreed that the Indian Cotton Textile Industry is entitled, for its progressive development, to a reasonable measure of protection against the imports of United Kingdom yarns and piecegoods. It was also agreed that under present conditions, owing to lower costs and other factors operating in foreign countries, the industry required a higher level of protection against them than against the United Kingdom.

(2) As regards cotton piecegoods, it was agreed that if and when the revenue position of the country made it possible for the Government of India to remove the general surcharge on all imports in October 1931, the Indian side would not make fresh proposals with regard to the duties applicable to the United Kingdom imports.

(3) In the matter of cotton yarns, the Indian side has agreed that so far as imports from the United Kingdom are concerned, the duty may be 5 per cent. *ad valorem* with a minimum specific duty of 14½ annas per pound.

(4) So far as artificial silk piecegoods are concerned, the Indian side agreed that in the case of the United Kingdom, the duties may be as follows:—

30 per cent. *ad valorem* or 2½ annas per square yard for hundred per cent. artificial silk fabrics; and

80 per cent. or 2 annas per square yard for mixture fabrics of cotton and artificial silk.

(5) In so far as the Empire and other overseas markets for piecegoods and yarns are concerned, it is agreed that any advantages which might be arranged for British goods should be extended to Indian goods, and that India, in markets in which she has no independent quota, should

participate in any quota which might be allocated to the United Kingdom. In respect of overseas markets in which Indian mills lack established connections, it is agreed that the Manchester Chamber of Commerce should use its goods offices to bring about contacts between Indian manufacturers and British house which are already established in those markets.

(6) In regard to raw cotton, the Indian side strongly emphasised the urgent necessity of further efforts being made in the United Kingdom to popularise and promote the use of the Indian raw material. They welcomed the undertaking that the British Textile Mission would be prepared to recommend effective action being taken and keep the Indian side regularly in touch with developments. It was further agreed that other avenues of co-operation in this field should be explored in the interests of the Indian cotton grower.

This understanding is limited in its duration to the period ending on 31st December 1935. The statement is signed by Mr. H. P. Mody, Chairman, Millowners' Association, Bombay and Sir William Clare-Lees, Chairman, British Textile Mission.

1934-35

1934-35 has on the whole been a better year for India's cotton textile industry than its predecessor. The improvement in the price of raw cotton brought about by the measures taken by Mr. Roosevelt to reconstruct America's internal economy provided a strong undertone for the market for cotton textiles. The Indo-Japanese Trade Agreement reduced appreciably the fear of Japanese competition, and the more satisfactory off-take of Indian cotton by Japan and also by Britain provided a more heartening background of economic conditions in the country. In the international sphere, while the United States and a few other countries showed a decline in production, the output in Japan continued to increase and it is expected that by the middle of 1936 her spindlage will reach 10 millions as against a little over 2 millions in 1913. India also experienced an increase in production and the table at the end of this article will show the rate at which the Indian Mills have improved their output. But it must be remembered that the large difference is accounted for in part by the closing down of a number of mills in Bombay in the latter half of 1933, either because the mills were not operating economically or because the companies concerned have been forced into liquidation. At any rate, it is significant of the state of affairs in the previous year that 40 per cent. of the productive machinery had remained idle during that year. And it is equally significant of the changed conditions that 30 per cent. of the Mills in Bombay were working night-shift in 1930 as against 11 per cent. of the looms in 1933. The increase of the vogue of

night-shift, welcome no doubt, as an index of the changed outlook, began to be regarded with a degree of disquiet. For by the third quarter of 1934 it was generally recognised that the continuance of this rate of production might create a glut of Indian goods with all its attendant consequences. The premier association of this industry had endeavoured during the course of 1934 to bring about an understanding among its members as to the organised control of double-shift work. Though there was, indeed, a general recognition of the dangers of overproduction there was no unanimity on the measures to be taken to prevent such an eventuality, but it is possible that at some date in the future the cotton industry will also devise some means of regulating the output in reference to the state and trends of demand. With the two major importing countries, namely, Japan and Great Britain assured by agreement of a certain share in the internal market and with the general economic conditions precluding the possibility of any large increase in consumption, it is obviously necessary that the Indian industry should not go forward headlong with any large programme of increase of output.

One important development of the year affecting the cotton mill industry in India is the introduction of quotas for the imports of piecegoods into Ceylon. The introduction of such quotas followed the breakdown of negotiations between Britain and Japan in regard to the latter's exports of cotton piecegoods. When it became clear that no agreement could be arrived at, Britain exerted her influence on the Colonies to put restrictions on the import of Japanese goods. It was towards the end of July 1934 that a proclamation was accordingly issued by the Governor of Ceylon laying down certain limits for the quantities of foreign types of textile goods which would be permitted to be imported into the Colony from foreign countries. The quota limits prescribed for Japanese goods for the period May 7th to December 31st, 1934, were reached early in August, and it appeared that Indian mills might be in a position to regain the ground they had recently lost to Japan in the Ceylon Market. The trade returns for 1934-35 show that India's exports of cotton manufactures to Ceylon have increased. But other export markets like Turkey have shown a shrinkage; and the time is come when India should seek to regain the lost markets.

PRODUCTION OF COTTON AND COTTON MANUFACTURES.

Months		Cotton Manufactures (excluding Twist & Yarn)			Cotton piecegoods			
		Average for (in million lbs)			Average for (in million yds.)			
		1926-27	1933-34	1934-35	1926-27	1933-34	1934-35	
		1928-29	1928-29		1928-29			
April	41.58	46.06	52.55	178.4	214.7	244.6
May	38.97	50.12	49.73	164.8	236.2	234.0
June	40.62	52.05	52.79	172.1	237.4	245.5
July	41.22	54.08	60.25	174.0	245.6	277.5
August	40.30	54.95	63.25	168.5	246.5	288.8
September	41.31	53.95	62.79	168.3	241.4	287.1
October	43.07	54.90	69.37	175.5	245.4	313.2
November	45.43	56.74	66.91	185.9	251.1	304.4
December	50.83	61.75	74.24	209.5	277.4	341.4
January	47.58	53.22	65.73	200.0	243.2	299.9
February	42.71	53.00	59.09 (a)	183.0	247.0	283.0
March	44.00	54.98	...	189.6	259.3	277.0 (a)
(a) Provisional.								

(a) Provisional.

INDUSTRIAL SECTION :

THE SUGAR INDUSTRY

BY M. P. GANDHI

The year 1934-35 may well be characterized as an uneventful year, as far as the further development of the sugar industry, and investment of new capital therein are concerned. While the number of factories working in the season 1933-34 suddenly shot up to 115 from 57 in 1932-33 i.e., a rise of nearly 200 per cent., the number of new factories during 1934-35 was only 23. The increase is expected to be still smaller in the next and subsequent seasons. The reasons for this check to the growth of the industry are numerous, but prominent among these are : (1) imposition of an excise duty at the high rate of Rs. 1-5-0 per cwt. (roughly equivalent to Rs. 0-15-4 per maund) on factory-made sugar in India with effect from 1st April 1934, (2) the feeling that the production of existing factories would be enough to meet the demand, (3) the threat of continued import of sugar from Java at lower prices inspite of the protective duty, in order to reduce her huge stocks, (4) the apprehension about the future prospects of the industry caused in the minds of industrialists, consequent on the passage of enabling legislation by the Government of India (Sugar Cane Act, 1934) for fixation of minimum prices of cane, and by enactment of Rules for fixation of minimum price of cane (varying with the price of Sugar) in the United Provinces and Bihar, two of the most important sugar manufacturing Provinces, (5) the absence of realisation of any price for molasses which added to the cost of production and reduced to that extent the protection afforded by the import duty, and (6) the feeling in the minds of the manufacturers that the Government were not prepared to undertake expenditure of money for improvement of cane, for technological research, etc., with a view to increase the efficiency of the industry, even though they expected to realise large revenue from the excise duty on sugar. (The total amount realised from the excise duty during 1934-35 on factory sugar was

Rs. 95,94,000 and from Khandsari Sugar Rs. 1,21,000, the total being Rs. 97,15,000).

The reasons catalogued above will give an idea of the variety of new factors which have changed the outlook of Sugar in India, at least so far as new entrants are concerned. But it would be wrong to conclude from this that the expansion of the industry has been altogether arrested. It is true that the number of new factories in 1934-35 was only 23 against 58 in the previous season. There has been a more than proportionate increase in the quality of cane crushed and sugar produced. There is first of all the increase in the capacity of the old mills, an increase which had been, presumably, planned before the change in the outlook. Secondly some of the factories which were established in the earlier year worked their full season for the first time in 1934-35. There was also the absence of any large disturbing factor like the Bihar earthquake.

The following table shows the growth of the sugar industry during the last five year ; the figures being our own estimates, as we believe the official estimates of the sugar technologist to be somewhat conservative :

Growth of Sugar Industry in India.

Year	No. of factories	Cane crushed Tons.	Production of cane sugar
1931-32	... 32	1,783,499	1,58,581
1932-33	... 57	3,350,231	2,90,177
1933-34	... 115	5,157,373	4,53,965
1934-35	... 138	6,450,000Est.	5,80,000Est.
1935-36	... 154Est.	7,750,000Est.	7,00,000Est.

It is interesting to follow the progress in each province ; and the following table gives the necessary figures:

Comparative growth of the Sugar Industry in various Provinces.

		No. of factories working.			
1	United Provinces (a)...	33	59	65	73
2	Bihar & Orissa ...	19	33	35	36
3	Madras (a) ...	2	4	10	11
4	Bombay (a) ...	1	4	6	6
5	Burma ...	1	1	3	3
6	Bengal ...	...	2	5	9
7	Punjab (a) ...	1	5	7	8
8	Indian States ...	...	4	7	8
Total ...		57	112(b)	138	154

(a) Excluding Indian States.

(b) The total was 115, but returns were not received from 3 factories.

It is natural that the cultivation of Sugarcane should keep pace with the production of sugar within the country ; and the following table shows the acreage and yield of sugarcane crop in the various provinces.

Provinces ...	Area (000's of Acres,		Yield ran Sugar or Gur (000's of tons)	
	1933-34	1934-35	1933-34	1934-35
United Provinces				
(a) ...	1,734	1,839	2,570	2,758
Punjab ...	466	462	364	316
Bihar and Orissa ...	418	445	623	673
Bengal ...	257	276	457	492
Madras ...	120	122	325	321
Bombay (b) ...	103	112	270	258
North West Frontier Province ...	49	43	54	43
Assam ...	35	33	40	32
Central Provinces and Berar ...	29	28	48	46
Delhi ...	3	8	1	5
Mysore ...	42	45	41	41
Hyderabad ...	46	51	72	93
Raroda ...	2	2	3	3
Bhopal (Central India) ...	4	5	4	4
Total	3,308	3,471	4,872	5,085

(a) including Indian States.

(b) including Sind and Indian States.

Though the replacement of *deshi* canes by improved varieties is progressing and the proportion of the area under the latter to the total area under sugarcane is more than 50%, the attack of disease in cane in certain parts of both United Provinces and Bihar has offset the advantage of such improved varieties. It is apprehended that due to the severe cold spell and frost of January 1935, the total yield might turn out to be less than that shown above. An investigation carried out in certain parts of Bihar by the Department of Agriculture shows that 30 per cent. of the cane crop

is diseased. The technical problems in regard to the cultivation of sugarcane are not less numerous or less important than those of industrial production.

The further development of sugar industry would depend solely on the extent to which are successful in solving the technical problems.

It is generally recognized that India has now definitely reached a stage when she can find her *present* requirements of sugar from internal sources. In fact, taking into account the estimated production of factories already projected it is more than likely that the next season leaves a surplus of production over consumption at the present level. For such surplus there can be only two outlets, an expanded internal consumption or export markets. The latter would be a severe test of efficiency ; and the importance of solving the technical problems can hardly be under-rated in the long view of the Indian sugar industry. The problems may be summarised and listed as below:—

(1) Utilisation of molasses and of bagasse, (2) reduction of cost of cane, (3) improvement of quality of cane, (4) undue competition in purchase of cane, (5) supplies of cane in areas adjacent to factories, (6) provision of irrigation and drainage facilities, (7) extension of duration of crushing season, (8) marketing and distribution of sugar, (9) technological research for increasing recovery percentage of sugar and the efficiency of the industry, (10) fixation and improvement of standards of quality of sugar etc. After a period of protection for 3 years, the Industry has now reached a stage when it must survey the position all-round and prepare itself to face the uphill task of establishing itself on a firm and solid basis.

It is unfortunate, however, that just at the time when the Indian Sugar Industry is preparing to take its legitimate place in the national economy, it should be faced with a great danger in the shape of a systematic dumping at greatly reduced prices of sugar in this country from Java. It must be remembered that up to 1932-33, India used to import large quantities of sugar from abroad. Java was its principal supplier, but with the growth of the industry in India imports dwindled considerably and many mills had to close down in Java. Still, however, Java was unable to sell even her restricted output ; they had also huge stocks accumulated there and she has been trying to unload these

stocks by a systematic policy of price-cutting.

The result of this price-cutting was that Java Sugar has managed to bear the heavy import duty, and the imports of Sugar from Java did not show any appreciable decrease during 1934-35 as compared with the corresponding period of 1933-34. The import of sugar from Java (total import of sugar into India includes a small quantity from sources other than Java which are not, however, very large) in the year 1933-34 was 1,94,426 tons as compared with 1,75,936 tons in 1934-35. The Government of India, themselves, according to their budget estimate for the year 1934-35 expected a total import of 1,10,000 tons in 1934-35, and to realise Rs. 2,05,00,000 from the import duty during 1934-35. It was then felt that the Government estimate was on the high side and that in view of the increased production of sugar in the country imports may not be high enough to yield so much revenue. Not only, however, was the expectation of the Government fulfilled but they have actually realised much more from this source, the total revenue realised from imports of sugar being Rs. 3,81,17,000 as against their estimate of only Rs. 2,05,00,000. While the Government may perhaps rejoice at this additional revenue out of regard for their budget, the state of affairs clearly denotes the ineffectiveness of protection to the industry during the period. This is also borne out by the testimony of the Tariff Board, who based their recommendations for protection to the Industry on the basis of prices of Java sugar being Rs. 4 per md. ex-duty whereas these prices came down to the remarkably low level of Rs. 2-6-3 per maund.

Referring to price-cutting the Tariff Board observed in para 72 of their Report on the Sugar Industry. "It appears to us therefore that if Java Manufacturers desire to restrict the Indian Sugar Industry they may fix price even as low as Rs. 3-4-0 per maund ex-duty. Calcutta." It is thus clearly the duty of the Government to come to the succour of the Indian industry when it is afflicted by so low a price of foreign Sugar on Rs. 2-6-3 per maund. The Government have the authority under the Act to raise the duties, but have refused to move in spite of the representation made to them.

There is however one respect in which the industry can improve its position by mere self-help. I refer to the organisa-

tion of marketing, the lack of which I have already enumerated among the weak spots.

The Indian Sugar Marketing Board

With this end in view and in order to tackle the problems of marketing of Indian Sugar scientifically, large and representative meetings of Sugar Factory owners took place at Calcutta and Cawnpore on the 7th and 26th August 1934 respectively. The problem of marketing Indian Sugar was discussed and it was decided to bring into existence a Central Marketing Board for sale of sugar with a view (1) to avoid internal wasteful and unrestrained competition by a scientific distribution of sugar in a manner which would avoid overlapping and would eliminate loss in freight by a well-planned scheme of distribution of sugar from various producing centres to the adjacent consuming markets, and (2) to eliminate imports of foreign sugar as far as possible with a view to keep the Indian Market for the sugar manufactured in India. It was then proposed that the Central Marketing Board should take roughly 30% of the production of sugar in the various factories in U. P., Bihar and Bengal, and to send requisite quantities to distant port markets for sale in competition with the price of imported Sugar. The hope was also expressed that if this scheme was found successful, the Central Marketing Board could at a later date undertake the sale of all sugar manufactured in India. The ultimate aim is to prevent imports of foreign sugar in the Indian market, to reserve as far as possible the Indian market for sugar manufactured in India, and to arrange distribution inside the country in a scientific and economic manner. The preliminaries for establishment of this Central Marketing Organisation are now over and an Indian Sugar Marketing Board has been formed. It did not start functioning during the last season owing, *inter alia*, partly to the large amount of spade-work being necessary in order to launch such a big and new venture and partly to the absence of support of 75% of the manufacturers. Personally, we are not very sanguine about the possibility of this Central Marketing Board beginning to function in the near future, owing, *inter alia*, to the absence of a strong desire among manufacturers for sales of sugar through a common organisation. But we trust that as soon as the utility of having a Central Organisation for sales is realised and the requisite measure of support from

manufacturers is forthcoming, the nucleus of the Central Marketing Board which is ready, will be made use by the Industry. It will be possible for the industry to launch such an organisation into existence almost immediately after they decide to do so, due to the machinery being ready.

One of the difficulties in the way of establishment and working of the Central Marketing Organisation was the absence of uniformity in quality and of fixed standards of sugar to which the quality could be related. It is satisfactory to note, however, that this question also engaged the attention of the mill-owners who entrusted this work to special committee appointed to work under the guidance of Mr. R. C. Srivastava, Sugar Technologist to the Imperial Council of Agricultural Research and a list of Indian sugar standards was prepared by a special committee. The finalising of the standards is now receiving the attention of the Bureau of Sugar Standards, a body created under the authority of the Imperial Council of Agricultural Research with the

Sugar Technologist as Chairman. We hope that when standards are finally fixed, mills will produce and sell sugar according to particular fixed standards, and also endeavour steadily to improve the quality of sugar. It need hardly be stated that the production of uniform quality of sugar is an essential preliminary to any collective scheme of marketing and is very beneficial to the industry as well as the dealers in sugar. Samples sets of various standards of sugar, are also under preparation by the Bureau of Sugar Standards, and we hope that before long the factories will be able to get sets of the samples of various standards of sugar for their guidance.

While the marketing organisation will no doubt, strengthen the industry, and there is also bound to be an expansion of internal consumption, the need for export markets cannot be obviated for ever; and it is necessary therefore to explore the chances of reserving the British market for the Indian product by some system of preference.

THE INDIAN SUGAR INDUSTRY AT A GLANCE

1. Sugar Factories their Production, and production by Khandsaris.*

Year	No. of Factories.			Cane Factory production (Tons.)	Refined from gur (Tons.)	Khandsari† Production (Tons.)
	All-India.	U. P.	Bihar.			
1931-32	32	14	12	158,581	69,539	2,50,000
1932-33	57	33	19	290,177	80,106	2,75,000
1933-34	112	59	33	453,955	61,094	2,00,000
1934-35	138	65	35	580,000 (Est.)	50,000 (Est.)	1,75,000
1935-36 (Est.)	154	75	36	700,000	50,000	1,75,000

Total Production of Sugar and Gur and yield of Raw Sugar in tons.†

Year,	Total Sugar.	Cane Factory Production only.		Gur for direct consumption.	Yield of Raw Sugar (Gur.)
		U. P.	Bihar.		
1931-32 ...	4,78,000	66,312	75,091	27,72,000	89,70,000
1932-33 ...	6,45,000	140,344	128,610	32,45,000	46,51,000
1933-34 ...	7,15,000	269,629	189,957	80,00,000 (Est.)	48,72,000
1934-35 (Est.)	8,05,033	294,800	190,800	32,50,000	50,85,000
1935-36 (Est.)	9,25,000			32,50,000	

3. Total Production, Import and Export of Molasses.

Year	Total Production of Molasses in India (Tons.)	Import of Molasses in India (Tons.)	Export of Molasses from India— (including palmyra and cane jaggery) (Tons.)
1931-32 ...	300,000	40,191	740
1932-33 ...	380,900	81,901	819
1933-34 ...	890,000	2,401	1,201
1934-35 (Est.)	440,000	415	1,150
1935 (Est.)	500,000		

*Estimates of Khandsari Production are conjectural. An Enquiry for ascertaining Khandsari Production in U. P. is in progress since 1933.

†India, the home of the sugar industry of the world, continues to lead as the largest sugar producing country in the world. Till 1981, Cuba was leading.

INDUSTRIAL SECTION :

THE INDIAN SALT INDUSTRY

THE PROBLEM OF PROTECTION

While the rest of India produces salt to meet the local demand, the Provinces of Bengal, Bihar, Orissa and Assam are unable, owing to climatic reasons, to be self-sufficient, having to rely on foreign salt. Coastal imports from other parts of India not being available, these provinces had for half a century to eat mostly Liverpool and Hamburg salt and partly salt from Aden, Djibouti, Spain and Massawah. Imports of salt into India are roughly 5,00,000 tons a year. Supplies from Aden rose within the last 30 years from 40,000 tons a year to about 1,30,000 tons before 1931, when protection was introduced and to 2,60,000 a year thereafter. The danger implicit in this dependence on foreign sources for a prime necessity of life was brought home during the War, when the stoppage of imports pushed up prices to Rs. 274 per hundred maunds and Bengal had to endure a salt famine, as the Calcutta market was almost entirely controlled by foreign interests. The question then arose of making India self-sufficient in the matter of salt and, things moving slowly in the post-war administrative machinery, it was not till 1927 that Mr. D. W. Strathie, I.C.S., of the Salt Revenue Department of Madras was deputed by the Government of India to investigate. His conclusion was that India could not manufacture its own salt, which was appreciably negatived by the arrival in the Calcutta market in that year of the first consignment of crushed salt from the newly constructed salt works at Okha and Karachi. The Tariff Board then took up the enquiry, on a cut motion in 1929 in the Assembly.

The Tariff Board reported in June, 1930, that conditions since Mr. Strathie's investigations had materially changed and, given adequate protection, the Indian industry could be developed to meet India's re-

quirements. The Board's recommendations were :—

(a) Stabilization of prices at Calcutta over a long period.

This recommendation was intended to serve a double purpose, namely that, on the one hand, Indian producers, being assured a steady price at a level which would give them a fair margin of profit over the cost of production, would have an assured basis on which to develop Indian sources of production, and to continue manufacture without fear of cut-throat competition by foreign manufacturers, and, on the other hand, the consumers would be assured of salt at a fair price and be protected against the danger of formation of rings and profiteering.

The Tariff Board suggested introduction of two standards of quality, the first to correspond to Liverpool or Hamburg, the second to comprise all kinds of solar salt : for the second grade a standard price of Rs. 66 per 100 maunds ex-ship was suggested, and, since Liverpool salt normally stands about Rs. 8 per 100 maunds higher than solar salt, the standard price for first grade salt was recommended to be fixed at Rs. 74.

(b) that Government should assume control of imports and the Tariff Board suggested the establishment of a *Marketing Board* which would purchase indigenous produce at the above standard rates provided they satisfied certain standards of quality.

(c) that *inland sources* such as Khewra, Sambhar, etc. should be developed so as to produce salt of the quality required for the Calcutta Market, and that to this end a fuller investigation of the possibilities of the Northern India sources should be undertaken.

The Reports of the Tariff Board and the Salt Survey Committee were examined

by the Salt Industry Committee of the Legislative Assembly in March 1931, and they recommended the following scheme:—

(a) that an additional duty of 0-4-6 per maund be imposed on all salt, Indian or Foreign, imported by sea into British India:

(b) that the Executive should have power to increase this duty from time to time by amounts up to a total of one anna per maund if at any time the price of foreign imported salt should fall below its present level, the object being to adjust the price of such salt plus duty as nearly as possible to the level of fair selling price (Rs. 66) as adopted by the Tariff Board. (It may be noted that at the time this recommendation was made by the Salt Industry Committee, the price of Red Sea salt, which was about Rs. 53 per 100 maunds ex-ship Calcutta when the Tariff Board wrote, had come down to about Rs. 36 per 100 maunds):

(c) that a rebate equal to the additional duty should be granted on imported Indian salt on the producers undertaking to deliver a stipulated quantity of salt to the Government any time at the fair selling price fixed by the Tariff Board.

As regards disposal of proceeds from the above duty, they suggested that same should not go to benefit the general revenues of the Central Government, but that they should be ear-marked primarily for the establishment of a supply of salt at a stabilized and fair level to Indian consumers, and that, subject to this, the proceeds should be ear-marked for the following objects:—

(a) the development of certain Northern India Sources in the manner recommended by the Salt Survey Committee e.g., (increase of production at Khewra, geological survey at Panchbhadra, etc.)

(b) investigation of the possibility of development of other sources of supply in India, e.g., in Bengal, Bihar and Orissa, and generally on the East Coast.

(c) any further measure that might be found necessary in the light of experience to secure the stabilization of prices, e.g., establishment of a Marketing Board and provision of

working capital and reserves for such a Board.

(d) subject to the above, the balance to be distributed between those Provinces that consume imported salt and would therefore be bearing the burden imposed by the above duty.

The Salt (Additional Import Duty) Act XIV of 1931.

The Legislative Assembly accepted the recommendations of the Salt Industry Committee and the Salt (Additional Import Duty) Act, XIV of 1931, was duly passed. An unfortunate feature of the above Act, however, was that its operation was limited to a period of one year only, but even this very restricted measure had a marked effect in giving an impetus to the indigenous industry, and when the position was examined again by the Salt Industry Committee in February 1932, they observed that it had been remarkably successful in receiving the particular object of stabilizing the price of white crushed salt at a level which would encourage the substitution of Indian for foreign salt and that at the same time would avoid laying on the consumer a burden larger than was necessary to secure that object and the Committee accordingly came to the conclusion that the additional import duty on foreign salt should be continued. While they recognised that any scheme designed to encourage a particular form of development in a manufacturing industry could hardly be effective unless its continuance was assured for an adequate period, they nevertheless recommended the extension of the above salt protection measure for another period of 12 months only, as they considered that it was necessary to examine further the position as regards Aden, the imports from which source during the year of protection had gone up by leaps and bounds out of all proportion to the increase in output from sources on the Continent of India proper, and the Committee were of the opinion that Government should consider the introduction of some plan which would preserve the essential object of the Tariff Board's proposals and would prevent Aden from capturing the whole market to the exclusion of other Indian sources. It appeared to them that the essential purpose might be achieved by devising some plan by allotting quotas of the Indian requirements of fine crushed salt to the various sources of supply either as an alternative to, or in combination

with, an import duty. The Committee considered that, before adopting any plan on these lines, a conference of manufacturers should be convened to enable them to place their views before Government, and to enable this being done, they recommended that the extension of the Act be limited to a period of 12 months only for the time being : but in doing so they took care to emphasize that they did not contemplate any reconsideration of the general policy at the end of that period. Their recommendations summed up were:—

(a) that the existing Act of 1931 be extended up to 31st March 1933.

(b) that during the year of extension the question of allocating quotas to Indian sources of supply be examined.

(c) that during the period the subject of fair selling price of Indian salt be re-examined.

The Assembly accepted the Committee's recommendations and the life of the 1931 Act was accordingly extended up to 31st March 1930, and thereafter year by year.

Simla Conference, May, 1932. Allocation of Quotas Abortive.

The meeting of the salt manufacturing interests which was convened at Simla in May 1932, in pursuance of the Salt Industry Committee's above recommendation, however, failed to bring out unanimity between Aden and Indian interests. The Indian interests represented at this conference, however, made out a case showing that, given continuance of protection over an adequate period, they could between themselves more than meet the entire requirements of Calcutta even without the help of Aden, and that, to that end, they did not anticipate any difficulty in the matter of distributing quotas as amongst themselves.

Mr. Pitt's Report on production in the Eastern Provinces.

The possibilities of establishing manufacturing centres in the provinces of Bengal, Bihar, Orissa and Assam were investigated during 1932 by Mr. Pitt of the Northern India Salt Department and as can be made out from his report, he was not able to discover any such suitable centres.

Effects of Protection.

Since 1930-31, when India and Aden salt received the first instalment of protec-

Several experimental measures are in progress to mitigate the climatic influences of Bengal on the manufacture of salt, one of which is the pan drying system in vogue in Burma. Actually, Bengal pays for protection, both ways, as the average annual ton, which has since been yearly renewed on a twelve-months duration, foreign salt imports have been on the decline. They went up in 1932-33 as a result of dumping by Italian salt works from East Africa, which brought down prices to Rs. 40. Following this dumping, aggravated by the reduction of the import duty to Rs. 0-2-6, a cut-throat competition between Indian manufacturers disintegrated for the time being the indigenous industry. Over-production was apprehended and the initial attempt in 1932 was made to form a Marketing Board for eliminating internal competition and stabilising prices. Nothing came of it ; and for the two subsequent years Indian and Aden manufacturers ran a close race of rate-cutting which presaged troubles for both. Experience induced a more reasonable attitude ; and last year a Salt Marketing Board was formed, composed of salt manufacturers supplying the Bengal market. Its main purpose was to eliminate foreign imports and to organise Indian imports so that normal seasonal demand might be satisfied at prices approximating to the economic level fixed by Government. An elaborate machinery in the form of a Control Committee functions in Calcutta to collect statistics, to study fluctuating conditions of demand and to make a reliable forecast of the future trend of prices with a view to co-ordinate supply and demand. On the basis of an approximate estimate of the total annual consumption of salt in Bengal and the adjacent areas, the following quotas have been assigned to different salt works :—

Town	Maunds	Percentage of Total Supply
Aden	266,000	49.91
Bombay	20,000	3.74
Okha	65,000	12.20
Karachi	124,000	23.27
Porbunder	33,000	6.19
Molvi	25,000	4.69
Total	523,000	100.00

Bengal is the key Province in regard to salt consumption and an undertaking was given by the Central Government in 1931 that a portion of the salt import duty would be allocated to Bengal to be expended on

schemes for the development of Bengal industry. The Government of Bengal, after holding up this allocation, agreed, in response to interpellations last year in the Bengal Council, to make up lost ground. cost to Bengal consumers on the additional tax is as follows :—

	Rs.
A. Extra tax on foreign salt paid by buyers direct to the Collector of Customs...	8,00,000
B. Extra price paid to Indian and Aden salt under protection ...	21,00,000
Total	Rs. 29,00,000

Central revenue received Rs. 1,00,000 and Indian and Aden interests received Rs. 22,00,000. Bengal thinks that Government has not made the best use of the Rs. 7,00,000, received from the salt duty and private enterprise for the modern manufacture of salt in the Province is multiplying. During the last Budget debate in the Assembly the Finance Member gave an undertaking that the matter of continuing protection would be left wholly to the decision of Members.

Against this debit Bengal revenues benefit only to the extent of Rs. 7,00,000.

INDUSTRIAL SECTION :

THE INDIAN TEA INDUSTRY

EARLY HISTORY AND LATER DEVELOPMENT

Tea, like Jute, is an industry of comparatively late origin. It had, however, existed in China from the earliest times where it was in use as a beverage in the eighth century. It was mentioned in a letter which an Englishman in Surat wrote to his friend at home in 1617. In 1658 the *Mercurius Politicus* had a notice showing that a consignment of tea arrived in England, which was probably the earliest arrival. Peppys' reference to it in 1661 as a "Chinese drink of which I have never drunk before" suggests a more common usage of the new beverage. But it was not until 1720 that the East India Company imported a large volume of one million pounds which was retailed at 30 sh. the lb. In 1773 the Company had such excess stocks, that it obtained permission to export them to Boston and this, incidentally, led to the famous Boston tea party. By the year of Trafalgar the imports came to 7½ million lbs.

In the earlier stage China had a monopoly of the tea trade; and probably the tea industry would not have been established in India, but for the fact that the Charter Act of 1813 transferred the monopoly of the tea trade from the Company to the Crown. The Directors naturally looked about for another source of supply for this lucrative trade; and their determination in this matter was strengthened by the knowledge that the plant could thrive under varying conditions of climate and soil as those of Brazil and Java, St. Helena and Sumatra. The Government of Lord William Bentinck appointed a Committee in 1834 to enquire into the possibility of importing plants from China and developing plantations in the hilly tracts. The lower hills and valleys of the Eastern Frontier and the Himalayan range and the Nilgiris were obviously fitted for the cultivation of tea. But for a long time, the pioneers of this enterprise were altogether ignorant of the fact that, far from being an exotic plant, tea was part of the flora of Assam. Scepticism in the value of the discovery persisted for a longer time than we might deem credible. But the supporters of the indigenous plant did not have to wait long for their success. For by the middle of 1838 they were able to announce that 8 chests containing 350 lbs. of tea had been shipped to England. Within a year Indian tea was definitely accepted to be a sound commercial proposition; for before that year was formed the Assam Tea Company which was the first and is even now about the largest tea company in India. The first auction in Mincing Lane was held in 1839; but the quality was adversely commented on by the brokers. Efforts to get the Chinese to teach

the Indian cultivators failed, probably through the jealousy of the former. But the industry progressed despite these discouraging signs. By 1866, there were 39 gardens with about 10,000 acres, 8,000 operatives and 1.7 million lbs. of output. Before another decade was out there were three times as many gardens; the acreage increased by 80 per cent. and the production had multiplied ten times. By 1906, the acreage increased to 50,000 and the output and employment to 12.4 million lbs. and 64,000 operatives. The corresponding figures for 1915 were 53,178 acres, 17.99 million lbs. and 42,300 operatives.

The fall in the number of operatives which is in strange contrast to the increase in acreage and output leads us to a mention of the patent devices of Mr. William Jackson and the planting reforms of Mr. Christison. The former invented the rolling machine which obviated the repugnant and dilatory processes of rolling the tea by hand and tamping it to dust with naked feet. The latter evolved the measures necessary for preventing the erosion of soil on steep hill surfaces and for resisting the effects of drought.

These inventions enabled the Indian tea industry to get far ahead of China. And the pace of the later development and expansion may be judged from the following figures:

Tea Production in India

	Acreage in 1,000 acres.	Production millions lbs
1901	.. 524	201
1921	... 709	274
1924	... 714	375
1927	... 756	390
1928	... 776	404
1929	... 788	432
1930	... 805	391

Space forbids any detailed sketch of the progress in South India or in other chief producing countries of the world. But it may be mentioned that the first experiments in tea planting in Ceylon were not encouraging. The greatest fillip was given by the disaster which overtook the coffee plantations through the appearance of a pest. Attempts were made to replace coffee with cinchona and then tea. The latter was an unqualified success. By 1880 the export was 102,000 lbs. Five years later it exceeded 4 million and in another five years it reached 45.8 million lbs.

The acreage increased from 406,000 in the beginning of the century to 450,000 in 1929; and the latter, it must be remembered, did not include small holdings which were estimated to be about 20,000 acres.

In addition to the great production of India and Ceylon, Africa contributed an increasing

amount. The figures for production in 1928-29 will be of interest :

	Area in acres.	Production in 1,000 lbs.
Nyassaland	8,900	1,745
Union of S. Africa	2,000	800
Kenya	5,600	150

Natal, too, has a tea industry of long standing, but as by far the greater part of it is taken up in domestic consumption: its production is of little importance to other countries. Nyassaland exports practically the whole of its output; Kenya is understood to have expanded the acreage very largely since 1928-29. Its products are of medium quality which should be useful for blending purposes. Malaya has conducted some successful experiments in tea cultivation; and it is supposed that there are considerable possibilities.

China, as a producer of tea, has been pushed more to the background. The unhygienic methods of production have allowed the change of taste in the foreign consumer; and Chinese tea is now principally a peasant production conducted for the individual consumption of the cultivator. The following figures will show the deterioration :

Exports of Tea from China, in Million Lbs.

	Black and Green.	Brick and Tablet.
1899	153.6	71.2
1913	109.2	82.2
1923	98.0	8.8
1927	77.6	38.6
1928	76.8	46.6

The principal rivals to India and China are Java and Sumatra. The origin of the industry in the Dutch East Indies was about the same time as in India or perhaps a little earlier. But production on a large scale had to await the import of plantings from India. In 1911 Sumatra had 500 acres. By 1928 Java claimed 230,000 acres as against 207,000 acres in 1924 and Sumatra 53,000 as against 29,000 acres in 1924. In addition Java had 83,000 acres under native growers, of which 66,000 acres were in bearing.

Total production from the world's principal sources is given below, as published in the annual Calcutta Tea Market Report of Messrs. J. Thomas & Co. :

	1927 Million lbs.	1928 Million lbs.	1929 Million lbs.	1930 Million lbs.	1931 Million lbs.
Northern India (total season's crop) ...	336½	341	372	331	335½
Southern India (total exports) ...	47½	48½	52½	47½	49½
Ceylon (total ex- ports) ...	227	236	251½	241½	247
Java (total exports)	126½	134	136½	135	145
Sumatra (total ex- ports) ...	12½	19	22½	22½	26½
Total	755½	779½	834½	777½	803

CULTIVATION AND MANUFACTURE

Tea seeds take about eighteen months to grow to the stage at which they are fit to be transplanted. The tender shoots are not interfered with during that period; and then they are transplanted at the commencement of the rainy season into holes three feet apart and two feet deep. An acre of land can grow about 2,900 plants. As the plants require copious rains and complete drainage, too, in order that the water may not be in contact with the roots for a long time, only hill slopes are suitable for tea cultivation. Manuring is applied heavily direct to the roots. Weeding and hoeing have to be frequent, and nitrogenous green crops are grown in between the rows immediately after and before the rains. The tea plant left to itself can grow to the height of an ordinary tree; but the plant is kept by pruning to the height of two to three feet, both to force more tender foliage and to facilitate easy plucking. The picking commences in the third year; and the annual outturn per acre varies, according to the age of the plantation, from two to four maunds. The various kinds of teas referred to in the markets indicate whether a particular kind is a tender leaf or a coarse shoot. The buds yield "orange pekoe" and "broken orange pekoe"; "pekoe" is derived from the tender leaves; and "pekoe souchong" is the product of the coarser leaves.

Picking has to be carried on by manual labour, particularly by women "who with quick eye and deft fingers rapidly choose and pluck the leaves, right and left hand operating simultaneously." The leaves are then taken with the minimum delay to the factory where they pass through several stages which are, in their order, withering, rolling, fermentation, firing, sorting and finally packing. The first stage consists in spreading out the leaves in thin layers for about 20 hours to develop and increase the enzyme. This process is so important as almost to determine the quality of the final product. The importance of this process and the details of the subsequent stages of the manufacture are best described by the Imperial Economic Committee:—

"The leaves are so spread as to allow of free upward and downward circulation of the air. Where climatic conditions allow, the sides of the building are open to the outside air. In some districts, owing to the humidity, it is necessary to wither the leaf in closed rooms, through which carefully controlled currents of air circulate, the object being not to raise the temperature, but to counteract the humidity of the atmosphere.

"The process of rolling twists the leaf and breaks open the cells containing the properties that give strength and flavour to the final product. The juices liberated by rolling form, when dry, a soluble extract which is released when the tea is brewed. The rolling may be so carried out that a proportion of the leaf is broken and goes to form, without any subsequent cutting, part of the "broken" grades which are now-a-days preferred for their superior liquoring quality.

"After being rolled, the leaves are spread out and left to ferment. Here, again, it is important to arrest fermentation at the right moment, for if it goes too far, quality and flavour will be spoiled. The fermented leaves, still damp and sticky, are now spread on the perforated or wire trays of a firing machine, and submitted to a hot air current for a short period during which they

assume the black appearance with which everyone is familiar. In the course of the processes enumerated, the leaf loses 75 per cent. of its weight.

"The tea is now known as "made" tea, and is next vibrated through sieves of varying mesh and sorted into grades. It is important that the leaf in each grade should be even in size and true to type. Although there are no fixed standards for each grade, the differences between them are well known on the market and any mixture is soon detected. The sorted tea is then packed by machinery into chests and half chests. These are lined with lead or aluminium foil to protect the tea from the atmosphere, to which it is highly sensitive. Even so, tea is sometimes affected by juxtaposition in ships' holds with cases of fruits, such as oranges."

Alike in point of production and consumption, the tea industry is an industry of the British Empire. It lends itself to treatment as an Empire industry, as no other industry does. For, though, as we have seen earlier, the production of tea is spread over various parts of the world, over 70 per cent. of that tea is produced and nearly 70 per cent. of it is consumed within the Empire. Over two-thirds of the entire capital in the industry is owned by its citizens. All the machinery employed in India and Ceylon is of Empire origin. Even the tea chests are imported from Empire countries.

But what is most important in this context is that the Empire is both the producer and the consumer of the greater part of the world's annual output.

The world export position is summarised in the following table taken from the Report of the Imperial Economic Committee:

WORLD EXPORTS OF TEA IN 1928 AND 1929
(CALENDAR YEARS) IN MILLION LBS.

	1928.	1929.
India	355.5	380.1
Ceylon	236.7	251.5
Nyasaland	1.4	1.7
South Africa ... ..	.1	.1
Total from British Empire .	593.7	633.7
Java and Sumatra ..	153.5	161.3
China (Black & Green) ..	76.8	73.0
Japan and Formosa .	33.4	32.3
Total from foreign countries	263.7	267.1
Total from all countries .	857.4	900.8
Empire percentage .	69.1	70.3

The above table will bear out the statement with which we started that the industry is essentially an Empire industry and is peculiarly fitted for treatment as such. Unlike other Empire products which have yet to win and secure their place in the markets of the United Kingdom, tea has an assured place. Of the Empire countries, Canada gives a negligible part of the patronage to the non-Empire product. New Zealand is a slowly expanding market, with Ceylon taking the lion's share of it and Northern India coming in for a small bit. Australia is giving more than 50 per cent. of her patronage to Java and relegating the Empire producers, and particularly India, to an insignificant place. Ceylon which exported appreciably more than Java in the earlier years has lost ground considerably; and the relation

of Australia to the Empire tea trade is less satisfactory from the standpoint of Empire producers. Outside the Empire, the United States of America derives its importance as potentially an even bigger market than Great Britain. In that country, Ceylon has the foremost place with Northern India following and Java as a somewhat distant third. But even if it were otherwise, the problem, so far as America is concerned, would be one, less of gaining a larger place for the Indian or Empire product, than of securing an expansion of consumption in a market on which all the producers have been looking wistfully for a long time.

We may, therefore, take it that the principal problems with which the tea trade of the Empire is confronted are firstly, to secure a larger share, if not the whole, of the British market; secondly, to explore the possibility of an Empire preference for tea, particularly from Australia; and thirdly, to decide what to do in regard to the American market.

In regard to the first, it may be remembered that a year ago there was little or no prospect of the re-institution of the preference for Empire tea which Mr. Churchill abolished when he was last Chancellor of the Exchequer. But the British Budget for 1932-33 granted a preference of 2d.; and the question can no longer be regarded as an issue calling for examination or judgment. But it must be remembered that, according to the *Financial Times* whose writings were cited out to India early in June, 1931, the preferential duty has not altered the position of Java in the British market and that Empire tea has not derived any appreciable advantage. It is unthinkable that the British consumer will consent to bear a heavier burden for the sake of the producers of India and Ceylon. And so we are thrown back again on the old problem of securing a voluntary and, for that reason, a more effective and a less objectionable, preference. There is no doubt that there is a large body of sentiment in Great Britain which favours the expansion of Empire tea at the expense of the non-Empire product. All expert committees which have gone into this question are practically unanimous that Empire tea has every advantage over the rival products and that, if only the retailers could be induced to sell pure Empire blends, the virtual exclusion of non-Empire tea could be achieved without any kind of State action like the imposition of a preferential duty.

The Imperial Economic Committee which issued its eighteenth report on tea early in 1931, is positive that the failure of Empire tea to make progress commensurate with its quality and other advantage is due almost solely to, what for lack of a better term may be called, the inertia of the interests concerned. We may appropriately make the following extract from their report: "Tea owing to the superiority of the Empire product, is a particularly favourable subject for voluntary preference and offers to those who cater for the preference an exceptional opportunity for developing their trade in what is one of the staple articles of their business. There can be no reason but mere oversight for the fact that a well-known London store, which prides itself on its display of Empire product, should distinguish its various blends by nothing but a series of numbers. To the same reason may also be assigned the fact that a well-known multiple-shop organisation

which for some time has put up a thoroughly good household blend, consisting entirely of Empire-grown tea, should have only in the last few months attempted to exploit the publicity value of the Empire origin and does not even yet exploit this publicity value on the packet itself. For there is no doubt that, provided the article is good, the declaration that it is the produce of the British Empire now has definite publicity value in the United Kingdom."

To turn to the American market, it is often overlooked that though the wealth and population of that country make it a very alluring market, the actual experiences are highly discouraging. In this context, the contrast between the United Kingdom and the United States is striking. On the one hand, the United Kingdom has always been the best actual market for Indian and other Empire tea; and on the other, the United States have been regarded for some time as potentially an even bigger market. In the former, the little advantage which is yielded by a preferential tariff is only fitfully afforded. The market is showing unmistakable signs of saturation. The figures of retained imports show a consumption per head of five cups of tea per day. And any increase in the British offtake of tea would depend solely on the increase of population. The American market presents a marked consumer about 424 million pounds in 1920 and increased it to 439.2 million pounds in 1930, the United States, a far bigger land, consumed only 93.4 million pounds in 1929 and reduced its consumption in 1930 to the level of 84.4 million pounds, out of which green tea is 32 per cent. against 36.4 per cent. in 1929.

In spite of such marked contrast there are still many in the trade who are not sure whither to divert their fresh efforts for increased sales of tea. It is true that the United Kingdom, which is the biggest market for Indian and other Empire tea, has very naturally reached the utmost limits of expansion and that, any further increase in the British consumption of tea will have to depend on the purely natural factor of normal increase in population. But the United States, it must be remembered, have proved singularly unresponsive to all the coaxings of the tea propaganda committees. Far from there being any increase in the spread of tea drinking in the United States, there have of late been distinct signs that the vogue is on the decline. In the earlier stages the intensive campaign in favour of Indian tea in the United States bore immediate results. Imports of Indian tea increased from £12 million in 1923, to £15 million in 1924 and £18 million in 1925. But at that figure it has remained stationary since and what has been said of Indian tea might also apply to the Ceylon product. While the proportion of Indian and Ceylon tea in amount imported into the United States has increased, the total consumption has hardly varied; and India and Ceylon have gained only at the expense of China and Japan, which in pre-war years provided for 70 per cent. of the requirements of the United States. If we consider the consumption of tea per head of population, the present consumption of .70 lbs. per head compares very unfavourably with the figure of 1.32 lbs. which was the average fifty years ago. This might perhaps be explained by the large annual influx of new immigrants to whom tea is an altogether strange drink. But so large a difference as that

between 1.32 pounds and .75 lbs. must point to the possibility that there are rigorous limits to the popularisation of tea as a beverage amongst the Americans. It is not quite impossible, fantastic as it might seem, that the Boston tea incident still has its hold on the imagination and sentiments of a large number of American citizens.

In these circumstances, it is natural that the wisdom of incurring further expenditure of money in developing the American market should have been a subject of discussion among the tea associations of India and Ceylon. Those who have specialised in advertisement and what is called in an expressive Americanism, high pressure salesmanship would, of course, insist on a continuance of the campaign in America. But it is prudence not to make an unduly heavy outlay on this when the tea industry has other fields which can yield more immediate results.

Before leaving the question of markets for tea, reference must be made to the possibilities for increased consumption which India itself offers. According to certain authoritative estimates our internal consumption of tea was 57 million lbs. in 1929-30. Such increase points to the fact that with the development of the purchasing power of the masses in India, a vast expansion of consumption is bound to result. The Tea Association would be well advised not to leave this as a matter of purely natural growth; but to take it up in an active way. With Indian consumption at such a low level the tea industry was not in so compelling a need for restriction of output. And as for the present situation it will ultimately prove to be a blessing in disguise as without a critical situation it would be difficult to rally the Empire to the help of the industry. Once the Empire markets are fully secured for the Empire product, efforts might then be made to restore the voluntary basis for Empire preference.

The system of marketing which obtains in the tea trade is so peculiar that no apology is needed for a detailed and comparatively lengthy account of it. A considerable portion of the tea crop of India and Ceylon comes to Calcutta and Colombo for export to the consuming markets. As the gathering of tea is a seasonal operation in Northern India the producers have always felt nervous of throwing the output of the whole season on the market at the same time; and by common agreement the crop is disposed of in weekly auctions. But the real centre of the tea trade is London not only because the United Kingdom is the biggest consumer of tea, but it is the entrepot of the tea, as of so many other, trades. The London market is, therefore, the nerve centre which determines the volume of demand at any time and the prices at every auction. The preliminaries to the London auctions will be described in detail later on. The tea is despatched by the garden managers to the local ports and the managing agents of the company owning those gardens consign it to their firms in London who, thereupon, become responsible for the marketing. There is, of course, the usual movement of the goods from the docks into the warehouses where they are held in bond till the payment of the duty. Barring the relatively small lots of China tea which are sold by private treaty, the bulk of the goods is put up for public auction. In such auctions, there are selling brokers who act for the managing agents and the bidding is done by

buying brokers who are intermediaries acting for the grocers and dealers. The selling brokers draw samples from each break, test them and issue catalogues. There is an interval in which samples are exhibited in the sale rooms, selling and buying brokers from their idea of the value of each break, and the former receives instructions from their principals as to whether they are simply to sell at best or whether there is a given price below which they should not sell at all.

The practice in the London tea auctions which are the most peculiar feature of a peculiar system of marketing is described in the report of the Food Council of the United Kingdom :

In addition to acting as selling agents on behalf of the producer, selling brokers also do a certain amount of business on behalf of purchasers whose orders they have received before the auction. These orders are placed through the selling brokers' 'market men,' who appear in the box with the selling brokers, and bid precisely as do other persons in the room. We have been informed that the market man does not disclose his top price or his orders to his principal, but buys as cheaply as he can. If he disclosed the orders given to him in confidence by the buyers or bought at prices higher than the market, he would quickly lose his business. Business of this character is principally done on behalf of smaller shippers who supply Continental orders. The market man receives a salary from the selling broker, and is therefore his employee, but he also receives $\frac{1}{2}$ per cent. commission on purchase, this $\frac{1}{2}$ per cent. being additional to the 1 per cent. received by the selling broker. Although on the face of it, it may appear unlikely that these market men can act in a dual capacity without prejudice to the interests of either selling broker or buyer, we have received no evidence to the effect that the arrangement operates unfairly to either party.

"Generally, the selling broker acts in the interest of the producer, and his duty is to obtain the highest price for the teas placed on the market by producers in return for a remuneration of 1 per cent. on the selling price. We have received no complaints against selling brokers. They appear to carry out their duties with satisfaction to the trade and without detriment to the consumer. In fact, they form an essential part of the organisation for placing tea at the consumer's disposal.

"The immediate purchasers of most of the tea auctioned at Mincing Lane are the buying brokers. They number about a dozen and are members of the Tea Buying Brokers' Association of London. Six of these firms have been described to us as relatively big firms. Buying brokers do not normally buy tea to hold but resell later to dealers, blenders, and merchants at a commission of $\frac{1}{4}$ per cent. In practice all purchasers of tea who do not pass their orders to selling brokers' market men (a procedure which is described above), buy tea through buying brokers, except that occasionally as a convenience distributors' representatives will bid in the room if their buying broker is not present or is occupied, but the business is always put through the buying broker, and the buying broker is paid his commission of $\frac{1}{4}$ per cent. We have been informed that during the last 40 years there has been a change in practice, and buying brokers now obtain a bigger proportion of the orders as compared with the selling

broker than was once the case. Although the auctions are public, and nominally anyone is entitled to bid, it has been stated to us that if a bidder, not a recognised buying broker, were to enter the market, or, if one of the big distributors were to instruct his buyer to bid at the market, not through the intermediary of a buying broker, the buying brokers would 'run' the price with the object of securing that all sales of tea should pass through their own hands.

"According to the evidence given to us by the Tea Buying Brokers' Association of London, buying brokers assist the trade (1) by selecting suitable teas in public sale for their clients and submitting samples and valuations to those clients, (2) by executing part orders for a parcel of tea and taking over the balance of the parcel, thus enabling the smaller dealer to obtain the tea he wants, (3) by executing confidentially orders for clients who very often have no time to attend the sale themselves, (4) by buying as cheaply as possible in the sale.

"The bidding for tea is done in pence and farthings per lb. and the same price is frequently offered by many buyers, none of whom may be willing to raise his offer. The parcel then goes to the first bidder, and it will be of advantage to other buying brokers who need supplies to repurchase the tea from him and divide the commission with him rather than to offer an extra $\frac{1}{4}$ d. per lb. After purchase of a particular 'break' other buying brokers therefore frequently call to the successful bidder, and generally, if not invariably, the bidder divides up his consignment at the purchase price, sharing the commission of $\frac{1}{4}$ per cent. with the other buying brokers. In effect, therefore, two sales are going on simultaneously in the same room.

"It often happens, however, that buying brokers in anticipation of orders from clients in the near future, will buy tea for which they do not possess orders. These teas are placed on a 'bought-over list' and, in fact, whatever quantity of tea is not resold by the buying broker in the auction room is normally placed by him on his 'bought-over list.' These lists are issued daily, and from them dealers, blenders and other distributors select the quantities and kinds of tea which they require.

"We are informed that many firms rely entirely on the 'bought-over list' for their supplies, and it is claimed that this eliminates much competition from the auction room."

The system of marketing detailed above clearly suggests certain lines of adverse criticism. The buying broker seems to be, to all intents and purposes, an unnecessary middleman who tends only to increase the price of tea for the ultimate consumer. Secondly, it requires an uncommon effort of imagination to believe or realise that the selling brokers' "market men" can act in a dual capacity and be true to his duties, both to the buyer and seller, all at the same time and in the same transaction. Thirdly, though this is not a necessary result of the marketing system the buying brokers are only a dozen in number and this has led to the remarkable concentration of buying in a few hands. It is said that 70 per cent. of the distributing trade in Britain is in the hands of four combinations and this is obviously a dangerous state of affairs. The defects which have been mentioned above have found able apologies at various times. Of the buying broker it is said that he is a specialised

middleman whose expert service must be of great advantage to his principal.

The selling brokers' "market men" are given the shelter of the ingenious contention that complaints have rarely been made against them. It is probably overlooked that in a trade whose control has been concentrated in a very few hands—and it must be remembered that the buying brokers control also many companies owning large tea plantations—it is not to be expected that any serious charges will be made or satisfactorily substantiated. But, committees which have required organisation of the Tea trade have stressed the need for a producers' combination which can act as a counter-weight to be combine that actually obtains on the demand side. We must mention here, with not a little regret, that there has been so far no evidence of an anxiety on the part of the producing interests to improve a system of marketing which cannot commend itself to the ordinary man on grounds of common-sense.

TEA RESTRICTION

Tea interests had less difficulty in arriving at a scheme of restriction than other interests. By the end of the first week of December, 1932, it was announced that complete agreement had been arrived at among the representatives of the principal producing countries regarding the measures to be taken to bring about effective restriction. The Associations represented were the Indian Tea Association (London), the Ceylon Association in London, the South Indian Association, the British Chamber of Commerce for the Netherlands East Indies and the Amsterdam and Java Tea Association.

As may be easily imagined, agreement among the Associations represented in the London discussions marked only the first stage in the progress towards the adoption of restriction. The subsequent stages comprised a referendum in each country to the producing units a request to the Government that they take upon themselves the responsibility of enforcing the export quota and the devising of the requisite machinery on the part of the Government. Likewise, the producing units had also to agree amongst themselves as to the share of each producing interest of the total permissible exports.

So far as India is concerned, the preparation for the referendum revealed an initial difficulty which, though successfully overcome must have seemed serious enough when it was first encountered. It was reported that the South Indian Tea interests insisted that a due allowance must be made in the scheme for the large areas which will come into being before long. It was natural that the sponsors of a scheme of restriction did not give any special consideration to new production, as it is of the essence of restriction that even actual capacity should be reduced, not to speak of affording scope to potential sources of production. But to most South Indian estates, it would appear that the picking of young clearings and the marketing of their produce are vital to the very solvency of the concerns. The claims of South India were duly recognised and allowance for young clearings were made possible by altering the restriction from 15 to 18½ per cent. This compromise enabled the Indian Tea Association, Calcutta, to formulate the proposals and prepare for the referendum after which alone India could be said to have accepted or rejected the restriction scheme. A special note on this subject by the

Indian Tea Association, Calcutta, had the following summary of the proposals to which the London organisation gave their initial assent:

(1) That the exports of tea from the producing countries be regulated in order to restore equilibrium between supply and demand.

(2) That the Government of the respective countries will undertake to prohibit exports in excess of the quotas agreed upon.

(3) That the standard upon which regulation is based shall be fixed on the maximum exports from each country reached in any of the three years 1929, 1930 or 1931.

(4) That the commencement of regulation for the first year shall be 85 per cent. of the standard export, and that a Committee shall be set up representing all the Associations interested, which Committee, taking into due consideration stocks and the price of tea, shall fix—prior to the expiry of each year—the figure of regulation for the following year.

(5) That the agreement shall be for a period of five years.

(6) It will be part of the agreement that the existing tea areas must not be extended during the said period of five years except in special cases when the existence of an estate would otherwise be imperilled, and that no further areas must be sold or leased out for tea cultivation and that no planting of tea must take place on land now carrying other products. Under any circumstances such extensions and new planting are not to exceed one-half or one per cent. of the present total planted tea area of each territory and the respective Governments will be asked to make a binding regulation to the above effect. The conclusion and continuation of the agreement will be made dependent on the enforcement of the regulation by the Governments of all the territories concerned.

The Indian Tea Association, Calcutta, has elaborated the principles according to which the restriction will be applied to individual producers in India.

It will be remembered that the standard upon which regulation is to be based is the maximum exports from each country reached in any of the three years 1929, 1930 and 1931. In the case of India, however, the financial year will apply instead of the calendar year; and the following table taken from the note of the Indian Tea Association shows the regulation year, the maximum exports and export quota for the first year of the scheme for each country.

India	1929-30	382,594,779	325,205,563
Ceylon	1929	251,522,617	213,794,225
Java	1931	145,028,631	123,274,337
Sumatra	1931	26,533,397	22,553,389
		805,679,424	684,827,513

The amount of tea India would be entitled to export in the first twelve months following its adoption would be 325,205,563 lbs. The principles on which the allocation is to be made are outlined as under:

(a) That for the purpose of the scheme India should be treated as one unit.

(b) That allocation should be made at the same percentage throughout.

(c) That the estate is to be regarded as the unit for purposes of calculating the export quota.

(d) That the basis on which allocation should be made should be the maximum crop of each unit for any of the years 1929, 1930,

1931 or 1932, increased by allowances on a definite scale for young clearings.

(e) That export rights should be transferable and saleable.

One question, however, of great importance, which is pertinent to the scheme of restriction but is not covered by it, is that of restricting the output within each country. The authors of the scheme were evidently concerned solely with conditions in the export markets; and they seem to have thought that if supplies in the foreign markets are restricted and foreign markets are isolated from the producing areas, a rise in export prices can well be secured. If the export quotas are fixed and the duty of enforcing them is taken over and discharged by the Governments of the respective producing countries, there is every reasonable prospect that conditions in the export markets will be definitely better. But one cannot be quite sure that unregulated production in the plantations will not have a strange sentimental effect on the consuming markets.

The Indian Tea Association, Calcutta, are guarded in their observation in this regard:

"The present proposals must involve some decrease in the total output, but it must not be assumed that this need be reduced to the amount of the quota for export, as consumption in India has to be provided for and this can be arrived at on the basis of past averages plus a liberal allowance for increased consumption."

We do not know on what evidence the Association based its expectations of an increased internal consumption. But it is possible to hope that with the export markets closed for their surplus production, the Indian tea producers will at last be forced to devote more of their attention to the development of the Indian market.

The 1933-34 season has more than justified the hopes that the period of unrelieved depression is at an end and that improved times were in view. The international scheme for the regulation of exports came into being in May, 1933, being made retrospective from April 1. The scheme has worked with the utmost smoothness and success. The scheme of Restriction of production also came into operation, limiting the total production from North and South India to approximately the requirements for internal consumption. A large number of producers voluntarily agreed to this, and the figure 59 million pounds was fixed for the whole of India against an estimated consumption of 51 millions.

The Regulation Scheme affords a period of recovery from the disastrous years of 1931-32, but it is not a lasting solution of the Tea 'Trades' problems and difficulties. Efforts must be increased for the opening of new markets and expanding the consumption of tea all over the world. The distribution of good tea to the public at a reasonable price is the chief need of the tea world as a whole.

The small increase in the release of Tea for export for 1934 seems likely to maintain a high level of prices during the coming season, which high level is not healthy for the improvement of the trade. Unduly high prices merely act as a strong encouragement to competitors on the one hand, and a definite check to consumption on the other.

The continued necessity for some form of regulation of production has occupied the attention of producers. For 1934, it is hoped to continue on the same basis as 1933, i.e., a voluntary agreement to restrict output to an addition

of 12 per cent. over and above the quantity allowed for export. It is estimated that 60½ million pounds will be available for consumption in India. During the year, there was a general improvement in the price of Common Tea. All really fine teas sold well. The standard of quality required has been a high one, and buyers have shown great discrimination between good teas and the best. Medium Teas had a difficult market with prices often only a fraction above Common Teas. A notable feature of Internal Consumption sales was the ready market at different times of the year for practically all types of Tea.

There has been a considerable increase in the trade with Australia during the year, in spite of a reduction in available supplies. Shipments to New Zealand have been the largest hitherto recorded. This is all the more gratifying in view of the fact that Ceylon still enjoys a preference of .67d. owing to the absence of the surcharge on Ceylon Teas entering New Zealand. Exports to the United States of America show an appreciable decrease. Economic and political conditions, especially during the early months of the season, made trade with Continental Ports very uncertain.

During the year, some 49 million pounds have been sold in the auction for Internal Consumption. Throughout the year, although prices have fluctuated considerably, there has always been a keen demand.

There were many changes during the year in the working of the Tea Cess Committee. The rate of Cess was raised to the maximum allowed, viz., annas 8 per 100 lbs., being levied on Export Teas only and not on all teas sold. The much-talked-of scheme for a Central Packing Factory has been finally abandoned. The Tea Cess Funds are being devoted exclusively for propaganda. As a general policy, it is proposed that all producing countries should join in a combined campaign of advertising good Black Tea, rather than tea from a particular country of origin. At present this policy has been definitely adopted with regard to propaganda in the United Kingdom, and it is hoped that in the near future it will be extended to all countries in which Tea is to be advertised.

1934-35.

A review of the Tea industry and trade in 1934-35 is largely a story of the disappointments, which the industry has lately suffered in regard to the restriction scheme, and an examination of the reasons for the change, the extent to which optimism is now possible and the efforts of the industry to improve prospects.

During its first year the scheme wrought a truly remarkable change in the position of the tea industry, and at the beginning of the second restriction year producers and share holders were looking to the future with great expectations. In the past twelve months, however, tea prices have fallen steadily, stocks have increased, and the industry as a whole is now in a decidedly chastened spirit.

The extent of the change may be imagined from the fact that while average price of North Indian tea at the London auctions was 14.89d. per lb. in January 1934 against 9.51d. in 1932, the price at the end of 1934 came down to 11.50d. It is necessary to enquire into the reasons for this decline. In the first year of restriction, which began on April 1, 1933, the exportable percentage of the standard quotas allotted to the three producing areas of India, Ceylon and the Dutch East Indies, was 85. The first six months the scheme witnessed a rapid rise in prices; and it appeared that the scheme was being applied with such excessive severity that the International Tea Committee would be obliged to modify very considerably the restrictions rates for the second year of regulation. The Committee, however, announced in November, 1933 that the exportable percentage for 1934-1935 would be raised by only $2\frac{1}{2}$ per cent., to $87\frac{1}{2}$. The fears of the tea distributing trade in Britain, which was already apprehensive of a tea famine, were heightened by the disappointingly low increase in exportable allowances.

To combat what it conceived to be the monopolistic methods of the International Committee, the distributing trade began to make heavy purchases of tea from China and Formosa, which consequently increased by 8,000,000 lbs. last year.

Actually the action of the Committee proved to be wise. The explanation of the extraordinary state of affairs that developed at the end of 1933 and the beginning of 1934, when tea prices were soaring owing to fears of a shortage, lies in the fact that the tea trade did not realise that the amount of tea then afloat, and in a sense invisible, was abnormally large, owing to exporters forestalling the restriction.

Towards the early summer of 1934 the error was brought home to the tea trade. Demand at the London auctions slackened considerably, and common tea fell back from its high price. Unfortunately, consumption also slipped back; and throughout the summer and autumn of last year the unpleasant fact was slowly being brought home to shareholders and producers that the International Committee, far from having created a shortage of tea, had actually overestimated consumption. The fall in prices continued unchecked, and by the end of last year, United Kingdom tea stocks were actually

15,000,000 lb. greater than they had been a year previously.

The International Committee, when, it met last November to fix the exportable percentage for the third restriction year, announced that the exportable percentage for the present year would be $82\frac{1}{2}$ —a reduction of 5 per cent. This decision of the Committee shows to what extent the outlook had changed within a year. The position at the beginning of 1935 was that tea stocks were considerably higher and tea prices considerably lower than a year ago.

In such a position one can only set down the favourable and unfavourable circumstances without attempting the dangerous task of forecasting in the present highly disturbed conditions of world trade. First and foremost is the fact that after their steady and uninterrupted decline in 1934, tea prices have been steadier since January last. And what is even more important, the better qualities have regained their premium over common teas, a premium the absence of which would drive the industry to care more for quantity than quality. The reduction of the export percentage must cause a reduction of stocks and a firming up of prices.

It is obvious that this improvement refers only to the export market. The question of total production would still remain to be solved. So far as India is concerned, a voluntary restriction of production has been in operation, but its unsatisfactoriness is becoming clearer every day. The attitude of Government to compulsory restriction leaves no room for doubt that the industry will obtain no relief from this quarter.

While one might condemn Government for its unhelpful attitude, one cannot deny that restriction, howsoever administered, will not bring permanent relief to the industry. The abiding solution lies in just that sphere from which the troubles arose, namely, consumption. Just as the falling off of consumption created the problem in 1932, its increase in 1936 or 1937 must restore prosperity to the industry. It is to this end that the tea industry is now working assiduously. And in this respect the Indian and the American markets are the most important; and one can only conclude this review with the hope that the vigour and care, with which the Tea Cess Committee are carrying on their propaganda, will yield a rich fruit before long.

INDUSTRIAL SECTION :

IRON & STEEL INDUSTRY IN INDIA

The 1934 report of the Tariff Board virtually struck the Iron and Steel Industry off the roll of protected industries both from the standpoint of the Government's willingness to protect and the industry's need for such help. For the Board admitted that the duties they recommended were in the nature of anti-dumping, rather than protective, measures. It may, therefore, be said that the question of India's fitness to develop an iron and steel industry of her own is of somewhat historical interest. Nevertheless, in the kind of sketch we are attempting of each industry in this *Year Book*, it would not be inappropriate to go over the whole ground. It has been acknowledged for a long time that India has great natural advantages over other countries for the manufacture of iron and steel.

Obviously, the most important condition of the development of the iron and steel industry is the presence, in adequate volume, of deposits of rich iron ore and coking coal, situated sufficiently near to each other to reduce the cost of transport of essential raw materials. The researches of the Geological Survey have established that these natural advantages are very great indeed, especially in the matter of the quality, quantity and cheapness of the iron ore. "In other parts of the world equally cheap ore is to be found, but it cannot be landed at the iron works at anything like the same price. Conversely, equally cheap ore exists in some countries, but of nothing like the same quality. The advantage which India possesses in the shape of iron ore is therefore, very great.

As regards coking coal, the superiority is, no doubt, less marked; and yet even there, according to Sir R. Pascoe, the eminent Geologist, "there is enough coking coal in India to supply the iron and steel industry with four million tons of metallurgical coke per annum for the next 150 years at least."

Another great advantage consists in the nearness of the coalfields and the iron ore deposits: "On the Continent of Europe either the coal or the ore has often to be brought from a distance of 200 miles or more; and in America the distances are much longer. The greatest centre of steel manufacture in the world is the western district of Pennsylvania, which brings its ore from the western shores of Lake Superior, more than a thousand miles distant, the journey involving a double transference from rail to water carriage and *vice versa* and its coal by rail from a distance of about 60 miles."

Thus, it will be seen, that Nature has more than done her part providing the resources for an Indian iron and steel industry. There is, of course, the question of labour of the requisite quality and quantity. Quality was a question of experience which can be gathered only in the course of the conduct of the industry. As for

quantity, there can be no doubt that India's labour force is enough to sustain as large a productive activity as that of the foremost industrial nation to-day. The higher grades of skilled labour, technical and managerial, are also available, almost in surfeit.

There remains then the question of markets. India has been such a large importer of iron and steel that a ready market may be said to exist in the palm of our hand. And apart from the existing demand, market for the iron and steel industry is not to be judged merely by the amount of iron and steel we used to import, but also by the varied iron and steel goods, the indigenous manufacture of which would become possible when the basic industry is well-established within our borders.

The steel industry has, during the short period of its existence, afforded us a glimpse of such possibilities. For, round the Tata Iron & Steel Works at Jamshedpur have already gathered a number of other industries which are so to say, a sample of the immense benefits which the steel industry can shower on the national economy.

There is at first the tinplate industry which has made such remarkable progress, that the result has evoked the admiration of the Welsh experts themselves. It is also a key industry, assisting the oil industry in India, while, at the same time, it may in time also give an impetus to the fruit and fish canning industries.

The next industry comprised in the industrial district around Jamshedpur is the Wagon Industry. The capacity of the Wagon-manufacturing works at Jamshedpur, now in charge of the R. I. Railway, is about 1,500 broad gauge wagons in a year, and there is no reason to doubt that a corresponding demand would be forthcoming as soon as the depression is past, and that the factory, which is now shut down, will resume work.

The third industry, which might be noticed in this connection, is the Tatanagar Foundry, which was started only in 1926, but has made rapid progress and has been able to supply more than one-third of the demands for cast iron sleepers and other materials for railways in India. This Company has taken a portion of the surplus pig iron and has also furnished the Steel Company with a number of castings for the use of their operation departments.

Further, there are Messrs. Jessop & Company's structural shops where railway wagons can also be erected and the fabrication of steel girders and plate girders, etc. done.

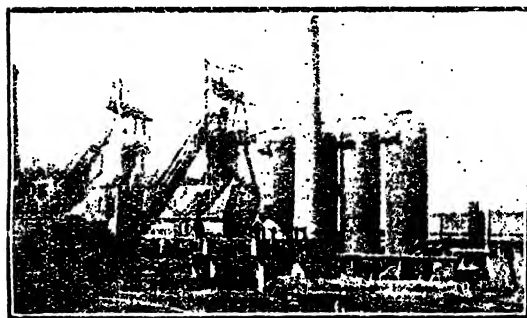
Then comes the Indian Steel Wire Products Company, which manufactures wires and wire nails; and owing to the protection now granted there is a possibility of continuous operation.

The Light-foot Refrigeration Company have established a branch of their oxygen gas factory

The Indian Iron & Steel Co., LIMITED.

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The location of so many industries in and around Jamshedpur in spite of the very unfavourable trade conditions during the last five years shows that this is bound to be an industrial district of the first importance when the depression has lifted, the industries in the group assisting and benefiting each other and enjoying the advantages of localisation and specialisation.

We have, doubtless, digressed on the question of industries which have come in the wake of the Iron and Steel industry. But for an understanding of the importance of the industry one must have an idea of the potentialities of growth in the demand as much as the natural advantages which the country can boast of.

We may now sketch the history of protection to iron and steel.

The principle, which was laid down by the Board in 1923 and which has been followed since, was that "in the main the amount of protection should be the difference between two prices :

(1) The C. I. F. price at which foreign steel is likely to be landed into India without duty, and—

(2) The price at which the India manufactures can sell at a reasonable profit, which was termed "the fair selling price."

It is also important to bear in mind, as the Board rightly observed, that "the measures taken must be adequate to secure their purpose." The immediate needs of the industry must determine the amount of protection to be accorded at the outset but the future of the industry must also be considered.

The Tariff Board arrived at the conclusion (in 1923, during its first enquiry) that a fair selling price of Rs. 180 per ton average would enable the domestic steel industry to sell its products at a reasonable price in competition with imported steel. Accordingly, a scale of duties, averaging Rs. 32 per ton to be levied on imported steel, was recommended. And it was accepted both by the Government and the Legislature and incorporated into the Steel Industry (Protection) Act of 1924. But these forecasts of the Board became wholly inoperative in the meantime on account of a large fall in the price of imported steel, owing to continued depression in the European steel trade, further aggravated by the depreciation of the Continental exchanges and the appreciation of the rupee to over 1s. 4d.

A fresh enquiry was, therefore, ordered by the Government in October, 1924, which resulted in the Tariff Board's recommendation to augment the duties to an average of Rs. 63 per ton. With the concurrence of the Legislature, the Government, however, sanctioned, in place of the offsetting duties proposed by the Board, a bounty of Rs. 20 per ton on 70 per cent. of the weight of the steel ingots produced, subject to a maximum of Rs. 50 lakhs for one year from the 1st October, 1924, to the 30th September, 1925.

But as the price of imported steel continued to fall, the Board was again directed to make another enquiry and consider "whether in view of the conditions of the industry and of the probable level of prices of steel articles, the protection afforded by the Steel Industry (Pro-

tection) Act to the manufacture of the articles enumerated therein should be supplemented beyond the 30th September, 1925." The Board, in its report dated the 2nd September, 1925, again recommended that "further assistance should be given for the period ending the 31st September, 1927, and that in the case of the rolled steel industry it should be given in the form of a bounty at the rate of Rs. 18 per ton on 70 per cent. of the ingot production, subject to a maximum of Rs. 90 lakhs." However, the Government, with the concurrence of the Legislature, reduced it to Rs. 12 per ton and limited the amount payable to Rs. 60 lakhs. This was on the 15th September, 1925.

In 1926, a fresh statutory enquiry was instituted. The Board took into account the large reductions in the Tata's manufacturing costs and the enquiry resulted in the imposition of a greatly reduced scale of duties.

In recommending these duties, the Tariff Board observed that "the prices of rails should thus be at least Rs. 35 per ton lower than the price three years ago, while the corresponding fall in the prices of the other products will average about Rs. 50 per ton."

The working of the 1926 scheme of protection is best dealt with as part of the 1934 enquiry.

The 1933 Tariff Board pointed out that an important aspect of the question of the success or otherwise of the 1926 scheme is the proportion of the Indian market which is supplied by the Indian industry. The share of the available Indian market obtained by the Tata Company rose from 30 per cent. in 1927-28 to 72 per cent. in 1932-33. The whole of the fall in the demand has been borne by imported steel. The Tata Works have steadily maintained an output roughly equal to 75 per cent. of their capacity, while outside India, France worked 57 per cent. of capacity in 1932, Germany 35 per cent., United States of America 24 per cent. and United Kingdom 54 per cent.

But the real test is the reduction in costs. While in the course of our review of the iron and steel industry last year we went in great detail into the various items on works costs and the like, it should suffice on this occasion to mention that after a minute enquiry the Tariff Board came to the conclusion that on all goods which are sold directly in competition with British goods, the Indian industry is not in need of any protection and that, even in the case of the competition from the Continent, the Indian industry would be well able to stand it if Continental goods were sold at their truly economic prices. It may be assumed, therefore, that the duties that have been recommended in the case of Continental goods are more in the nature of anti-dumping than protective duties. One would have thought that the Board would be content with a finding of this kind; but they went further and suggested that in the case of tested plates and structurals from Great Britain, the Government should remove even the revenue duties or, in the alternative, impose countervailing duties on the internal production. The Iron and Steel Duties Bill of 1934 gave effect to these recommendations of the Board and laid an excise duty of Rs. 4 per ton on steel ingots and countervailing duties on imports.

1934-35

The year under review may be said from the standpoint of the iron and steel industry to be split up into two periods, one, in which the 1926 scheme of protection was in force and the other beginning from November 1 last, in which the Iron and steel Duties Bill was in force. It cannot, therefore, be claimed that we have seen one full year of free trade in iron and steel. So far as the results of the working of the Tata Iron and Steel Company is concerned, the Company has not been adversely affected. For, as the Chairman of the Company remarked at

the annual meeting, the benefits of protection were available to the Company until November 1. As for the industry's position and prospects as a whole, it seems fairly certain that the adverse effects of the Iron and Steel Duties Bill are already beginning to be reaped.

It is true that production in 1934-35 has been maintained at a consistently higher level than in the previous year. The following table shows the production month by month of pig-iron, steel ingots and finished steel during 1933-34 and 1934-35.

PRODUCTION OF IRON AND STEEL

(In thousands of Tons)

Months.	Pig iron		Steel ingots		Finished steel	
	1933-34	1934-35	1933-34	1934-35	1933-34	1934-35
April	79.79	94.37	50.32	62.52	37.19	42.35
May	74.15	105.32	50.55	63.81	42.49	51.25
June	73.95	112.81	52.11	64.49	41.95	51.09
July	97.73	112.01	70.74	67.65	49.45	54.40
August	97.10	114.10	61.34	72.94	46.14	50.05
September	93.05	112.91	56.87	61.56	42.58	52.51
October	103.72	130.55	69.08	73.31	47.03	57.82
November	96.09	123.17	61.73	70.20	47.60	50.27
December	103.41	124.55	63.63	76.57	49.55	62.74
January	98.28	109.65	63.67	82.00	48.19	49.75
February	91.59	93.08	58.75	70.79	46.72	46.96
March:	100.54	110.55*	62.11	68.20*	51.71	57.29*

*Provisional.

It will be seen that, excepting for the production of steel ingots in July, there has been an increase in every instance. It has, presumably, become vitally necessary for the iron and steel industry to increase the output in order that costs might be kept low and competitive power maintained. Conditions in the iron and steel market during the year

have also been healthy. It is important to note that in the middle of 1935 it was feared that the British steel interests would fail to come to an agreement with the Continental Steel Cartel over the outstanding questions and that the failure might lead to a more intensified competition in the steel markets. The final conclusion of the agreement between the

Imports of the Iron and Steel goods.

(In 000 tons)

	1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
April	102.7	75.0	37.4	28.3	21.6	29.5
May	97.5	66.9	35.7	30.4	25.8	32.8
June	72.3	53.2	34.9	38.5	23.8	25.5
July	82.2	57.0	32.8	29.8	25.9	30.2
August	75.7	45.3	30.3	27.5	25.6	29.0
September	72.4	40.6	35.1	24.8	23.4	24.9
October	78.4	46.3	32.9	24.3	32.2	35.8
November	96.0	42.1	27.5	25.1	33.7	29.8
December	68.4	45.0	24.5	24.7	31.4	25.1
January	88.4	51.1	27.9	24.5	34.2	36.4
February	61.0	44.6	25.4	24.1	24.9	38.5
March	77.7	47.1	26.6	24.0	26.6	33.0
Total	972.7	614.2	371.0	326.0	329.1	370.5

British industry and the Continental cartel holds forth the assurance that steel prices would be well maintained in the coming years. Considering that prices will not show any undue fluctuations, there is reason to hope that the Tata Iron and Steel Company will be able to market its increasing output at fully remunerative prices.

But as mentioned already, the effects of the changes effected on the Iron and Steel Duties Bill are already beginning to be felt and this may be clearly seen from the figures of imports of iron and steel

goods during 1934-35. The table (at the foot of the previous page) gives the monthly total imports into British India of iron and steel since 1929-30.

It will be seen, therefore, that though imports are still but a fraction of the figure for 1929-30, 1934-35 has made up the loss of the two previous years and is only slightly below the level of 1931-32. But from the standpoint of the working of the iron and steel industry, the figures of the imports of protected iron and steel goods are far more important and we give below the imports of the protected iron and steel during the last few years:—

Imports of protected Iron and Steel
(In 000 tons)

		1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
April	...	72.0	54.8	24.5	18.4	12.5	17.7
May	...	69.5	50.4	25.1	20.3	14.9	20.2
June	...	49.6	40.1	23.1	23.9	13.8	15.1
July	...	56.4	43.1	21.8	18.4	13.4	17.1
August	...	55.8	32.3	19.5	15.4	15.3	16.5
September	...	53.9	29.3	23.2	12.8	14.0	13.3
October	...	60.7	32.8	19.4	14.4	18.9	16.9
November	...	76.8	27.8	16.4	15.1	17.4	18.2
December	...	50.9	30.6	14.0	13.4	17.9	16.4
January	...	66.7	34.5	18.0	13.3	19.3	24.0
February	...	43.2	28.8	16.4	15.4	14.1	21.7
March	...	56.2	29.2	15.6	14.8	15.6	23.1
Total		711.7	433.7	237.0	195.6	187.1	220.1

It will be seen from the above table that the imports of protected iron and steel show a considerable increase of 33,000 tons over the previous year. In this simple fact is contained a grave threat to the Indian industry.

It is comforting to note that while imports of foreign goods are on the increase, there has also been a significant increase in India's exports of pig-iron which are given in the table below:—

Exports of Pig Iron
(In 000 tons)

		1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
April	...	66.0	46.3	32.8	16.2	25.2	25.3
May	...	48.5	46.3	25.6	22.2	36.1	23.5
June	...	53.4	50.0	24.1	15.0	38.3	30.2
July	...	44.8	44.2	34.0	12.1	41.2	41.0
August	...	54.6	41.9	25.5	13.0	35.8	40.1
September	...	44.0	45.8	22.3	13.7	31.2	40.3
October	...	36.3	42.4	17.4	16.4	29.1	46.4
November	...	44.7	25.4	33.5	19.3	33.2	37.2
December	...	40.0	23.8	30.8	15.6	27.1	33.7
January	...	40.4	10.9	26.7	15.4	26.7	35.0
February	...	50.2	34.3	34.3	28.6	23.4	41.7
March	...	45.9	27.8	33.9	30.8	30.3	22.7
Total		568.8	439.1	350.9	218.3	377.6	417.1

While the exports of pig-iron have been on the increase since 1932-33 exports of iron and steel manufactures show a serious fall in 1934-35 as compared with the previous year.

Exports of Iron & Steel Manufactures
(In 000 tons)

		1929-30	1930-31	1931-32	1932-33	1933-34	1934-35
April	...	11.6	.8	12.3	10.7	20.2	4.7
May	...	.5	6.1	8.2	15.0	7.8	7.0
June	...	.7	5.8	10.1	8.0	12.5	5.8
July	...	8.5	10.4	9.5	4.3	13.2	7.5
August	...	12.2	7.3	8.8	3.3	13.2	4.0
September	...	1.3	6.9	7.6	5.2	8.8	3.4
October	...	13.7	1.5	6.8	5.8	15.6	3.5
November	...	5.3	2.7	5.5	9.4	9.3	2.8
December	...	3.2	2.5	8.7	17.4	6.3	2.3
January	...	10.5	2.5	8.2	13.3	12.4	3.1
February	...	10.4	3.7	7.3	13.7	10.5	8.8
March	...	1.0	5.9	9.3	12.6	9.0	5.9
		78.9	56.1	102.3	118.7	138.8	58.8

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Made to Indian Railway Standard Specification No. M23-34 or
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Angles, Beams, Channels, Tees.

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Flats, Rounds, Squares.

RAILWAY MATERIALS

Bearing Plates, Tie Bars. Rails,
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S H E E T S

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INDUSTRIAL SECTION :

THE PAPER INDUSTRY

The manufacture of paper by hand existed in India from quite early times ; but it has very little relation to the modern paper industry. In Europe, paper used to be made out of rags. But now their use is confined to only certain special kinds, the bulk of the output being made out of Esparto grass, during the latter half of the last century and wood fibre at the end of the century. Conifer trees which are quite suitable for yielding raw material for the manufacture of paper have one serious disability, namely, that they took nearly 60 years to be replaced. Though Esparto grass is also suitable, there is still the problem of a shortage of cheap raw material ; and among the substitutes that have been thought of, bamboo is the most suitable. In Northern India, Sambai grass is used for making paper. No attempt has been made so far to manufacture paper from Indian wood though Indian paper is made of wood fibre. The essential operations of paper manufacture, according to the Tariff Board, are :

“(1) The removal by chemical means from the fibre of the elements which are not required, so as to isolate the cellulose. It is this process which converts the fibre into chemical pulp.

(2) The bleaching of the pulp with chloride of lime.

(3) The treatment of the pulp in the heaters. It is here that the experience of the trained paper-maker comes chiefly into play, and the quality of the paper made depends mainly on his skill and experience.

(4) The conversion of pulp into paper on the paper machine. Here the essential point is the interlacing of the fibres on the wire cloth and the ingenuity of the craftsman has had ample scope in devising the apparatus by which this is accomplished.”

The normal consumption of paper in India comprising both local production and foreign imports is 99,000 tons ; but that part of it which the Indian industry can produce is very limited. The Indian industry cannot engage profitably either in the very low

grade papers which are extremely cheap or the high-class glazed papers for which the demand is so limited as not to warrant any large outlay of capital. Deducting the imports on this account, the amount of imports which compete with Indian paper and which Indian industry can well produce by itself is 200,000 tons. The trade has been subject to a certain amount of dumping from countries like the United Kingdom and Germany which export only a small part of their production. Such a charge would not lie against Norway or Sweden ; but all the same the dumping that has been present has affected the Indian industry.

From the foregoing it will be seen that there are three important considerations for giving protection to the paper industry ; first, that the paper industry itself is subject to dumping from abroad ; second, that no less than 20,000 tons of the foreign imports can be produced at home economically ; and third, that in view of the possibility of the paper industry of the world coming to rely on Indian bamboo pulp, the manufacture of pulp from bamboo must be kept alive. And protective measure accorded to bamboo pulp would automatically increase the cost of the manufacture of paper and the manufacturer would, therefore, be entitled to a corresponding protection. It is in this manner that the country has been led on to afford protection to the two industries. The Tariff Board estimated for purposes of determining the protective duty on paper a fair selling price for Indian mills of Rs. 464 per ton. As the price which the Indian paper would realise on a free market is only Rs. 341, the measure of protection required would be Rs. 123 per ton. The import duty on pulp which the bamboo pulp manufacturing industry would require is Rs. 45 per ton. The consequent increase in the cost of manufacture is Rs. 45 per ton. The consequent increase in the cost of paper is Rs. 19 per ton. Thus, taking together the need of the paper industry of Rs. 123 per ton and the increase in the cost of production due to the protection of bamboo pulp

of Rs. 19 per ton the total amount of protection for the industry would be Rs. 140 per ton or one anna per lb. The recommendations of the Board have been embodied in the Bamboo Paper Industry (Protection) Act, 1932. Newsprint, however, containing 70 per cent. of wood pulp is allowed to be imported free.

The most important producer of paper in India is the Titaghur Paper Mills Co., Ltd., under the Managing Agency of Messrs. F. W. Heilgers & Co. The Company took over the machinery of the Bally mills which was first established in 1870 and which was liquidated in 1905. The Titaghur also took over

the Imperial Paper Mills which was started in 1824 and was not able to continue. The estimated production of the Titaghur Company is about 20,000 tons per year. The next important concern is the Bengal Paper Mill Co., which took over the Gwalior Mill and removed its machinery to Ranigunge in 1922. The capacity of this Company is 8,400 tons per year. The other important mills are the Upper India Paper Mills at Lucknow with a capacity of 4,000 tons, the Deccan Paper Mill Company with an output of 1,700 tons and a few small concerns in Madras and the Punjab and the other provinces.

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Makers of High Class Papers
CALCUTTA

The Quality of Indian-made Portland Cement is Second to None

	British Standard Specification 1931	EUROPEAN Average of 3 tests	INDIAN Brands Average
GRINDING :			
Residue on 170 mesh -	Note more than 10%	3·4%	3·8%
„ „ 72 „ -	1%	0·07%	0·02%
Ratio of Lime to Silica and Alumina - -	Between 3·0 and 2·0	2·55	2·62
Setting Time—Initial -	Not less than 30 Mins.	38 Mins.	97 Mins.
„ „ —Final -	Not more than 10 Hrs.	2 Hrs. 12 Mins.	2 Hrs. 54 Mins.
TENSILE STRENGTH C. AND S. :			
3 Days - - -	Not less than 300 Lbs.	467	556
7 „ - - -	375 „	520	619

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YOU ASSIST INDIAN RAILROADS

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**Whenever you specify Indian-made Portland Cement for
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You retain for circulation within the country the amount of the price you pay ; whereas if you purchase imported cement, by far the greater part of the sale price goes out of the country and makes it more difficult for India to maintain a favourable balance of trade. For this reason specify **INDIAN PORTLAND CEMENT FOR YOUR WORK**

INDUSTRIAL SECTION :

THE CEMENT INDUSTRY

The manufacture of cement in India was commenced as early as 1904 in Madras ; but a real impetus was given to the industry only in 1912. With the boom that followed the end of the Great War, several new factories were established in too close proximity to one another. They had necessarily to operate in the same markets ; and this led to the wasteful price-cutting war of 1923. The seriousness of the situation was soon realised and in 1924 all the companies made a joint representation to the Government for protection against foreign competition as a preliminary to the stabilisation of prices through an inter-company agreement. The Tariff Board on a careful enquiry decided that the industry suffered from over-production and that the low price of cement was due to the competition among indigenous manufacturers. The Government accepted the finding of the Tariff Board and no protection was granted. This rebuff had the most desirable effect. The Indian Cement Manufacturers' Association was formed in 1926 ; level in keeping with the small and necessary and prices were raised to an economic level in keeping with the small and necessarily expensive production of a tonnage sufficient to meet the demands of the market. The Association took active measures to increase the demand and in 1927 established a Bureau known as the Concrete Association of India. The function of this association was to popularise by educative and other means, the use of cement.

An even closer co-operation became the aim of the controlling interests and this led to the formation of the Cement Marketing Company of India, Ltd., in 1930. The Cement Marketing Company practically controls the output of all the Indian factories on a quota basis. Even in its first year of inauguration, the company effected a saving of Rs. 4 lakhs in railway freights and reduced selling prices by Rs. 2-8 to Rs. 5 per ton. The company is also responsible for many other improvements.

Coloured cements, which were formerly left for the consumers themselves to manipulate as best as they could, are now manufactured with the proper scientific progress. The product compares quite favourably with the best manufactures of the world. Another improvement is the evolution of that quality which takes far less time to harden. Works, which circumstances required to be carried out at great speed, have found these rapid-hardening cements of great value. In the despatch of cement, too, closely woven jute bags with waxed crepe paper lining have enabled the cement companies to send their products to countries like Bengal and Assam without fear of their being spoiled by the rains or the humidity of those parts of the country. Altogether the cement industry is one of the best instances of enlightened co-operation amongst the producers.

The importance of the cement industry may be gathered from the following data. The capital invested in this industry by the companies is about Rs. 5 crores of which Rs. 3½ crores is of the companies forming the Marketing Board. The industry employs between 20,000 to 25,000 workers and consumes about 320,000 tons of Indian coal per annum—an amount which is more than the consumption of the tea gardens or the Port Trusts. The Jute industry gains from cement to the extent that the latter is responsible for an annual demand of 12 million jute bags. Nearly Rs. ½ crore is paid to railways in the shape of freights by the Marketing Board alone. The output during 1931 was 587,806 tons as against 559,856 tons in 1930. The output in 1932 was somewhat less than that of 1931 being 582,182 tons, but this may be attributed to the general slump in the world trade. The imports of cement during 1932-33 showed a decline from 88,000 tons in the previous year to 83,000 tons. The bulk of the consignments (39,000 tons) came from Japan.

The cement industry need have no particular misgivings as to the future, if India is protected from foreign manufacturers dumping their excess stocks. It may be safely predicated that with the return of general prosperity, the Indian cement industry will not only go on expanding at the

old rate but with ever-increasing knowledge of its uses, will find new markets in every direction. India, so far from having reached saturation point in regard to cement, may be likened to a large sponge that has had only a few drops of water on it.



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INDUSTRIAL SECTION:

THE PAINT INDUSTRY

Apart from the small number of larger factories, which operate on a scale similar to that of a medium-sized European factory, there are dotted throughout India a number of small "backyard" factories, which grind common and ordinary qualities of paint from materials which they can purchase. The past year has seen a considerable increase in these small factories, especially in North India, where it seems to be the ambition of the Bazaar retoler to own his own factory. The effect of such small factories is to depress further both the prices and the quality of the commoner paints already manufactured in India, without displacing imported paint to any appreciable extent. There are already more than sufficient factories to struggle for the amount of this business available; and it is doubtful whether the additional factories bring additional employment.

Another feature of the current year has been the issue of a new series of specifications by the Army Department, which makes the third series in current use in India, the others being the British Standard specifications and those of the Indian Stores Department. The only satisfactory feature of the confusion thus caused is that the three series of specifications mainly rely on one series of shades. Any satisfaction so caused is, however, decreased by the knowledge that the issues of the shade books in different years do not contain identical shades.

Japanese competition is again well to the fore; the specific duties imposed may have stopped the import of the commonest qualities of paint, but the import of the higher priced qualities is almost unchecked and in at least one noteworthy case is increasing. Furthermore, there are now imports of materials, such as dry distemper, which were not previously imported. Unless Government take early and vigorous action, serious damage to the in-

dustry and to employment in India may ensue. What is required is an Officer on special duty to collect such statistics as Government may require. In the broad sense of the term, the Indian paint industry does not need or ask for protection; but it does definitely require protection against the importation of a limited range of Japanese paints, varnishes and distempers. And it would welcome the admission duty-free of certain raw materials imported (not from Japan) in such small quantities that the loss of revenue would be negligible.

India is probably slowly becoming more paint conscious. The rate of progress in different parts varies widely. The difference between Bombay and Calcutta is most marked. The Bombay citizen or landlord is willing to spend more money than his confrere in Calcutta. There is more competition between decorating firms; and it is much easier to have good material well applied in Western than in Eastern India. "Interior Decoration" may well be suggested to young Bengalis, men or women, as a new career.

The Advisory Council of the newly formed Industrial Research Bureau puts research on paint as the first item in its programme. There is a possibility of progress, if the Director of the Bureau will realise that research into the manufacture of paint is amply conducted by existing organisations in Europe and America and that his activities could profitably be concentrated on—

(a) The education of builders and engineers to provide surfaces on which good paint can usefully be applied;

(b) Teaching the consumer to use paint suitable for the conditions to which it will be exposed; and

(c) Training painters how to paint. There is no greater hindrance to the progress of the paint industry than the shortage of capable painters and contractors.

TRANSPORT SECTION

RAILWAY AND RAILWAY FINANCE

I. HISTORICAL

Indian Railways have been constructed either by the State or by private Companies. On completion of construction, they have been worked either by the State or by the Company which originally built them, or have been handed over to another Company to work. Several of the railways originally owned by Companies have been purchased by the State. Some of these purchased railways are now worked by the State; for example, the Sind, Punjab and Delhi Section of the North Western Railway. Some of them, as in the case of the Bombay, Baroda and Central India Railway, have been handed back to be worked by the Company which originally constructed them. Some, on purchase, have been handed over to other railways to work under contract; thus, parts of the old Madras Railway were handed over to the Madras and Southern Mahratta and South Indian Railways to work. The Nagda-Muttra Railway was built by the State, but has since been incorporated in the Bombay, Baroda and Central India Railway and is worked by that Company as a part of its system. The Delhi-Umbala-Kalka Railway, which was built by a Company of that name, has since been purchased by the State and is worked by the North Western Railway. Similarly, the Southern Punjab Railway Company which had entrusted the working of its undertakings to the North Western Railway, has been purchased by Government.

The East Coast Railway was originally constructed and worked by Government as a famine-protective line, but its northern and southern sections were subsequently made over to the Bengal-Nagpur and Madras Railway Companies, respectively, to work as part of their systems. The Hyderabad-Jodhpur Frontier Section of the Jodhpur Railway was constructed by Government and handed over for working to the Jodhpur Railway which belongs

entirely to an Indian State. The Bezwada Extension is in the same way worked by the Nizam's Guaranteed State Railway Company. The terms on which one railway works another are in all cases, except where a purchased railway has been absorbed entirely in a State Railway system, incorporated in a contract. Hardly two of these contracts are alike in every respect. It is impossible to set out the differences arising out of the varying terms of the contracts, or to take account in every case of the histories of the railways since construction.

II. FINANCING BRANCH LINES

Railways fall under two main categories:—

- (a) those in which Government has a capital interest,
- (b) those in which it has not.

The second class comprises for the most part the branch line companies formed before the introduction of the present policy of financing branch lines referred to below. Generally, the main financial conditions of the contracts with such Companies are:—

- (1) the provision of land by Government free of cost to the Companies;
- (2) financial assistance in the shape of a firm guarantee of $3\frac{1}{2}$ per cent. on the capital, or a rebate out of the net receipts of the parent system accruing from "interchanged traffic," sufficient to make up, with the net earnings of the branch, an amount equivalent to 5 per cent. on the capital; and
- (3) equal division between Government and the branch line company of surplus profits over and above 5 per cent.

A number of small railways in India have been constructed by Companies on these terms. The financing of such railways falls outside the Government programme of railway construction, the capital

transactions appearing in the accounts representing merely the receipt and payment of deposits. The value of land is charged to Government as Railway Revenue expenditure outside the accounts of the Company. Similarly the Government share of the Surplus Profits of the railway in excess of 5 per cent. is credited as a Revenue receipt. In each case in which Government gives a direct guarantee, there is a liability in respect of interest, and if Government were to make a payment under this liability it would figure in the accounts as Government expenditure on the railway.

The various ways in which the Branch Line Companies finance themselves are—

- (1) by the issue of share capital,
- (2) by the issue of debentures,
- (3) by temporary loans (including cash credits) from banks or from the Managing Agents of the lines ; and
- (4) by temporary advances from Government.

Under their contracts with Government the conditions for the raising of fresh capital are always subject to the approval of Government.

The rate of interest at which these companies are able to borrow has an important effect on railway revenues, for, under the contracts, Government are liable to make up to the Branch Line companies under certain circumstances the difference between their net earnings and a fixed return on the capital invested by them, and the interest paid on loans by the Branch line companies is generally to be deducted from the net earning of the lines before such return is calculated. It happens that in many of these cases at present the net earnings after meeting the interest on loans are insufficient to yield the guaranteed return on capital and Government becomes liable to make up the difference. It is obvious that in such cases any reduction in the rate of interest payable on present loans or for fresh capital would mean a definite reduction in the loss to Government.

The loans already raised by these Branch Line Companies are generally either in the form of—

- (i) debentures on which interest is payable at a comparatively high rate, which in some cases can be repaid immediately or in the near future ; or
- (ii) cash credits or other temporary advances which can be converted into regular loans at any time.

In the first case steps have, in the current year, been taken by Government to endeavour to reduce wherever possible the rate of interest payable on loans which the Company has the option to terminate immediately or in the near future, but in both classes of cases, it has happened that it is not possible for the Company concerned to obtain the funds required at a lower rate. On the other hand Government have been in a position to borrow money at more favourable rates and in certain cases it has become advantageous for Government to make advances temporarily to these Companies from their resources.

III. NEW BRANCH LINE POLICY

The advances that were made during the year 1933-34 were :—

1. Rs. 7½ lakhs to the Futwa-Islampur Railway to replace cash credits bearing interest at 6 per cent. per annum.
2. Rs. 1½ lakhs to Chaparmukh Silghat Railway to replace cash credits bearing interest at 6 per cent. per annum.
3. Rs. 3 lakhs to the Kalighat-Falta Railway to replace 6½ per cent. debentures which are redeemable on 12 months' notice from any date after September, 1933.

The advances have been made in the following terms and conditions—

- (i) that the advance will carry interest at the rate of 5 per cent. per annum which will be a first charge on the net earnings of the line ; and
- (ii) the advance will be for a period of three years in the first instance after which it will be subject to reconsideration and will be liable to recall thereafter at any time on six months' notice.

According to the arrangements thus made a saving of 1 per cent. interest on the advances in the first two cases and 1½ per cent. on the advance in the last case have accrued entirely to the advantage of Government. The total saving involved is Rs. 13,500.

The advances have been made from the Railway Depreciation Fund. It is recognised that it is not desirable to adopt generally a policy of investing any considerable part of the Depreciation Fund balances in what may be regarded as a less liquid form of investment than would be the case if the ordinary procedure were adopted which is, in effect, to keep the balances as a deposit at call with the Government of India. But the amounts involved are relatively trifling. On the other hand, it

is more appropriate that transactions which mainly benefit railway revenues should be made from railway resources as far as possible and not from other resources of the Government of India.

A new policy that had been introduced in 1924-25 for the construction and financing of branch lines also requires mention. Under this policy endeavours are to be made to reduce by purchase the number of existing branch line companies and Government is to find the capital required for the construction of extensions of branches to existing main systems. The construction of any branch or feeder lines not expected to be remunerative, which a Local Government might desire to have constructed for purely local reasons or administrative advantages, will be considered, provided the Local Government is prepared to guarantee the Government of India against the loss involved in the working of such lines.

IV. "COMPANY RAILWAYS."

The State has much greater immediate interest in those railways the capital expenditure on which has been provided wholly or mainly by Government. The main divisions of the these railways are:—

A.—State Railways worked by the State.

B.—State Railways worked by Companies or by Indian States.

The second class comprises Railways towards the cost of which the working agents have contributed a small amount of share capital on which a definite rate of interest is guaranteed by Government and in respect of which they receive a share of the surplus profits after meeting all charges for interest on capital.

Both classes have been financed in the same way, through the Government programme, the funds for which are usually provided either from surplus revenues, or from loans forming part of the Public Debt of India, or from Debentures and Debenture Stock raised by the Working Companies.

The accounts of State owned railways are therefore part and parcel of the Indian Government accounts, and railway finances are part of the general finances of India. But a convention was entered into in September 1924 by which it was agreed to separate railway finances from the general finances as a temporary measure.

V. THE SEPARATION CONVENTION

It is nearly eight years since the resolution was adopted by the Assembly regard-

ing the separation of Railway from General Finances. The resolution which is dated 20th September, 1924 ran as follows:—

"This Assembly recommends to the Governor-General-in-Council that in order to relieve the general budget from the violent fluctuations caused by the incorporation therein of the railway estimates and to enable railways to carry out a continuous railway policy based on the necessity of making a definite return to general revenues on the money expended by the State on Railways:

(1) The railway finances shall be separated from the general finances of the country and the general revenues shall receive a definite annual contribution from railways which shall be the first charge on the net receipts of railways.

(2) The contribution shall be based on the capital at charge and working results of commercial lines, and shall be a sum equal to one per cent. on the capital at charge of commercial lines (excluding capital contributed by Companies and Indian States) at the end of the penultimate financial year *plus* one-fifth of any surplus profits remaining after payment of this fixed return, subject to the condition that, if in any year railway revenues are insufficient to provide the percentage of one per cent. on the capital at charge, surplus profits in the next or subsequent years will not be deemed to have accrued for purposes of division until such deficiency has been made good.

The interest on the capital at charge of, and the loss in working, strategic lines shall be borne by general revenues and shall consequently be deducted from the contribution so calculated in order to arrive at the net amount payable from railway to general revenues each year.

(3) Any surplus remaining after this payment to general revenues shall be transferred to a railway reserve; provided that if the amount available for transfer to the railway reserve exceeds in any year three crores of rupees only two-thirds of the excess over three crores shall be transferred to the railway reserve and the remaining one-third shall accrue to general revenues.

(4) The railway reserve shall be used to secure the payment of the annual contribution to general re-

venues; to provide, if necessary, for arrears of depreciation and for writing down and writing off capital; and to strengthen the financial position of railways in order that the services rendered to the public may be improved and rates may be reduced.

(5) The railway administration shall be entitled, subject to such conditions as may be prescribed by the Government of India, to borrow temporarily from the capital or from the reserves for the purpose of meeting expenditure for which there is no provision or insufficient provision in the revenue budget subject to the obligation to make repayment of such borrowings out of the revenue budgets of subsequent years.

(6) A Standing Finance Committee for Railways shall be constituted consisting of one nominated official member of the Legislative Assembly who should be chairman and eleven members elected by the Legislative Assembly from their body. The members of the Standing Finance Committee for Railways shall be *ex-officio* members of the Central Advisory Council, which shall consist, in addition, of not more than one further nominated official member, six non-official members selected from a panel of eight selected by the Council of State from their body and six non-official members selected from a panel of eight elected by the Legislative Assembly from their body.

The Railway Department shall place the estimate of railway expenditure before the Standing Finance Committee for Railways on some date prior to the date for the discussion of the demand for grants for railways and shall, as far as possible, instead of the expenditure programme revenue show the expenditure under a depreciation fund created as per the new rules for charge to capital and revenue.

(7) The railway budget shall be presented to the Legislative Assembly if possible in advance of the general budget and separate days shall be allotted for its discussion, and the Member in charge of railways shall then make a general statement on railway accounts and working. The expenditure proposed in the railway budget, including expenditure from the depreciation fund and the railway reserve, shall be placed before the

Legislative Assembly in the form of demands for grants. The form the budget shall take after separation, the details it shall give and the number of demands for grants into which the total vote shall be divided shall be considered by the Railway Board in consultation with the proposed Standing Finance Committee for Railways with a view to the introduction of improvements in time for the next budget, if possible.

(8) These arrangements shall be subject to periodic revision but shall be provisionally tried for at least three years.

(9) In view of the fact that the Assembly adheres to the resolution passed in February, 1923, in favour of State management of Indian Railways, these arrangements shall hold good only so long as the East Indian Railway and the Great Indian Peninsula Railway and existing State-managed railways remain under State management. But, if in spite of the Assembly's resolution above referred to, Government should enter on any negotiations for the transfer of any of the above railways to Company management, such negotiations shall not be concluded until facilities have been given for a discussion of the whole matter in the Assembly. If any contract for the transfer of any of the above railways to Company management is concluded against the advice of the Assembly, the Assembly will be at liberty to terminate the arrangement in this Resolution.

Apart from the above convention this Assembly further recommends—

“(i) that the railway services should be rapidly Indianised, and further that Indians should be appointed as Members of the Railway Board as early as possible, and

(ii) that the purchases of stores for the State Railways should be undertaken through the organization of the Stores Purchase Department of the Government of India.”

The above convention appears to have been in the nature of a compromise between the Government and the Opposition at the time; the Government gave the undertaking contained in sub-para. (9) of the first para. of the Resolution and the assurances contained in the second para., in return for the arrangements as set out

in the first 8 paras that were considered necessary for railways to carry out a continuous railway policy untrammelled by the political exigencies of finance to which general revenues could be regarded as subject.

Sufficient time has elapsed since the convention was entered into to allow of a retrospect being made in order to get a fairly correct grasp of the general tendencies that State railways have shown under the new arrangements.

VI. THE CONTRIBUTION TO GENERAL REVENUES

From 1859 to 1898 (for forty consecutive years), the operation of Indian railways had not been a source of profit to the taxpayer. The deficits mounted up to Rs. 235 lakhs in 1804, Rs. 236 lakhs in 1872 and 266 lakhs in 1896. The total losses up to 1898 aggregated to the enormous sum of Rs. 57.80 crores and have had to be met by taxation. The tide turned however in 1899, and year after year there have been net gains (except in 1908 and 1921) which achieved a record of 15.85 crores in 1918.

The following statement shows the direct gain or loss (—) from the operation of railways yearly from 1858 up-to-date.

Year.	(In Lakhs of Rs.)
1858	... -65
1859	... -110
1860	... -120
1861	... -151
1862	... -167
1863	... -184
1864	... -193
1865	... -24
1866	... -94
1867	... -165
1868	... -193
1869	... -162
1870	... -193
1871	... -182
1872	... -236
1873	... -179
1874	... -161
1875	... -156
1876	... -115
1877	... -15
1878	... -207
1879	... -157
1880	... -104
1881	... -29
1882	... -131
1883	... -30
1884	... -105
1885	... -73
1886	... -119

Year	(In Lakhs of Rs.)
1887	... -212
1888	... -223
1889	... -185
1890	... -69
1891	... -32
1892	... -185
1893	... -154
1894	... -235
1895	... -162
1896	... -266
1897	... -143
1898	... -94
1899	... 11
1900	... 49
1901	... 127
1902	... 34
1903	... 129
1904	... 316
1905	... 300
1906	... 347
1907	... 236
1908	... -186
1909	... 124
1910	... 303
1911	... 568
1912	... 721
1913	... 718
1914	... 324
1915	... 611
1916	... 1,122
1917	... 1,487
1918	... 1,585
1919	... 935
1920	... 564
1921	... -910
1922	... 117
1923	... 121
1924	... 652
1925	... 1,301
1926	... 883
1927	... 736
1928	... 1,004
1929	... 643
1930	... 245
1930-1931	... -624
1931-32	... -986
1932-1933	... -1,080
1933-1934	... -796
1934-1935 (Revised)	... -424
1935-1936 (Budget)	... -190

The steady and substantial surpluses that the railways have been yielding during the last 30 years have made people forget that till about 1910, i.e., for over 50 years, the railways had been considered as more or less a commitment of Government in the interests of the administration of a large country and had been numbered amongst the benefits of British rule in India. Indian

railways have been regarded as commercial undertakings of Government only during the last 2 or 3 decades, and the contribution to general revenues appears to be based on the idea that as the losses of the earlier years had been borne by the taxpayer, the gains of later years should reimburse him *pro tanto*. Otherwise, there is no reason why the total net gains should not have been applied *entirely* towards decreasing the charges for service and increasing its scope and efficiency.

The year 1933-34 is the last year of the decade since railway finances were separated from the general finances of the State. Of the ten years, the first six were prosperous, and the next four the reverse. But the net results of the decade taken as a whole is a surplus of Rs. 20 crores and an accumulated balance in the depreciation Fund of Rs. 32 crores.

VII. THE ACTUAL CONTRIBUTION

It is a moot point whether the railways of a country are to be run in the national interests regardless of the cost of the service rendered and the return on the outlay, or whether a fair return should be guaranteed or worked up to by maintaining a suitable level of rates and fares. The trend of recent opinion has been in favour of the regulation of charges in such a way as to yield, in the aggregate, either a 'fair return' on the capital invested or a 'standard revenue' based on the conception of such a 'fair return'. Where the railways are State-owned and the 'fair return' or standard revenue yields a 'profit' or 'gain,' should such 'profit' or 'gain' be ear-marked for railway development, or go to reduce the rate of 'fair return' or amount of 'standard revenue,' or should it be appropriated by the State and go to decrease the scale of taxation? The convention entered into in 1924 was in the nature of a compromise which divided up the net gain, and allowed of a moiety being utilised in the reduction of taxation and another in building up railway reserves.

We might now see how the convention has worked in practice. The contributions made to General Revenues during these years have been as follows:

	Crores, Rs
1924-25	. 6.78
1925-26	. 5.49
1926-27	.. 6.01
1927-28	. 6.28
1928-29	. 5.23
1929-30	. 6.12

Crores, Rs.

1930-31	...	5.74
1931-32	...	5.36*
1932-33	...	5.23*
1933-34 (Revised)	...	5.21*

[*These were the contributions due, but held in abeyance owing to railway net earnings being insufficient.]

VIII. THE RESERVE FUND

During the seven years 1924-31, the railways have contributed to General Revenues the magnificent sum of 41.65 crores of rupees or an average of nearly 6 crores of rupees per annum. They had accumulated on 31-3-31 in a Reserve Fund a sum of 5.81 crores after paying from it 13 crores of rupees in the two lean years 1929-30 and 1930-31. Of this, about half a crore has been invested in certain securities, and the balance has been wiped out in meeting the deficit of 1931-32, as shown below:

Crores, Rs.

1924-25	6.38
1925-26	3.79
1926-27	1.49
1927-28	4.57
1928-29	2.58
1929-30	-- 2.08
1930-31	-- 10.92
1931-32	-- 4.95

IX. THE DEPRECIATION FUND

The balance in the Depreciation Fund of about 32 crores of rupees has been got together as shown below. Out of this balance temporary loans have been made to railways of Rs. 22.41 crores in the three years ending 31st March, 1934.

Crores, Rs.

	Credit to Fund.	Debit to Fund.
1924-25	. 10.35	7.39
1925-26	. 10.67	7.98
1926-27	. 10.89	8.05
1927-28	. 11.38	10.95
1928-29	. 12.00	9.60
1929-30	. 12.59	11.76
1930-31	. 13.07	11.40
1931-32*	. 13.46	8.26
1932-33*	. 13.77	6.35
1933-34*	. 13.56	8.00
1934-35 (Revised)	13.75	8.00
1935-36 (Budget)	13.25	9.50

[*The loans from the Fund during these years were 4.25, 10.23, 7.93, 4.25, and 2.00 crores of rupees respectively.]

Taking the balances of the Reserve and Depreciation Funds together the Railways had on the 31 March, 1931 a reserve to their credit of nearly 20 crores of rupees, after paying a contribution of nearly 42 crores of rupees to general revenues during the seven years following the convention—an achievement of no mean order. The balance on the 31st March, 1932, had been reduced to Rs. 13 crores.

At the end of 1933-34, the liabilities of railways to be met in subsequent years amounted to 38 crores of which 22 crores are to be repaid to the Depreciation Fund and 16 crores are due, as a first charge, to be paid to General Revenues.

X. HOW THE CONTRIBUTION WAS MADE

A study of the manner in which State railways managed their affairs during these eight years and after contributing nearly 47 crores of rupees to General Revenues had still in hand balances aggregating Rs. 13 crores will no doubt be very interesting. In the figures given on p. 271, the actual receipts and expenses for the eight years have been shown; the accounts are on the basis of actual realisations and expenditure, in cash.

The magnitude of the receipts from Indian railways depends to a very large extent on a good monsoon. All the best laid plans of railway administrators' gang 'gang aft aglee' when the rains do not make their friendly visitations in time and bumper crops are not moved about the country. Subject to this limitation, the effect on railway receipts of political contentment and general economic prosperity is no doubt marked. A good balance of trade in favour of India is something of a guarantee of a good balance in railway coffers.

Considered from this point of view, the variations in gross receipts during these eight years cannot be considered to be extraordinary, being 5 to 6 crores from the average mean despite the effect of changes in accounting which have resulted in items of receipts being recorded as minus expenditure and *vice versa*. To increase the gross receipts, by other than purely book-keeping methods, is never an easy proposition; when trade is at a standstill and poverty and unemployment stalk the land, it might be the last straw on the camel's back to increase the scale of rates and fares. Perhaps, the contrary move is indicated, as nothing is so welcome from the psychological point of view as the cheerful

rendering of essential services regardless of cost, at times of trouble and difficulty.

XI. LEVELS OF RATES AND FARES

A comparison was made some time ago of the levels of rates on Indian railways for different classes of commodities with those prevailing on English railways by a student of railway economics. The figures he has published, which are extracted below are of interest in that they go to show that the scale of rates in India is intrinsically higher than that in England. Considering the difference in the capacity to pay of the two countries, there does not appear to be much room for an increase in the tariff rates.

All the figures in the tables below are in terms of pies per maund per mile.

New English Classification

Class	First 20 miles or any part of such dis- tance	ext. miles or any part of such dis- tance	Next 50 miles or any part of such dis- tance	Remainder distance
1	.74	.37	.21	.20
2		.41	.27	.25
3	.88	.43	.31	.27
4	.90	.47	.35	.30
5	1.01	.49	.37	.30
6	1.03	.53	.41	.31
7	1.13	.62	.47	.37
8	1.19	.68	.53	.39
9	1.25	.74	.59	.41
10	1.37	.90	.68	.43
11	1.47	.99	.82	.57
12	1.52	1.05	.88	.62
13	1.66	1.13		.68
14	1.77	1.25	1.03	.82
15	1.87	1.35	1.15	.90
16	1.97	1.44	2.25	1.03
17	2.14	1.62	1.31	1.13
18	2.28	1.76	1.44	1.25
19	2.65	2.07	1.72	1.50
20	3.12	2.44	2.24	1.72
21	4.68	3.65	3.37	2.53

and Strategic lines together.
res in lakhs of Rupees.)

	1926-27	1927-28	1928-29	1928-30	1930-31	1931-32	1932-33	1933-34	1934-35	1935-36
	M.	M.	M.	M.	M.	M.	M.	Revised Estimate	Budget Estimate	
27,664	28,086	29,111	30,878	31,197	31,640	31,642	31,644	31,644	31,644	31,744
7,484	7,517	7,654	6,640	6,806	6,808	6,907	6,854	6,854	6,854	6,854
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
98.42	1,03,43	1,08,78	1,02,70	95,10	86,63	84,43	86,63	90,75	93,30	
6,77	7,18	7,27	6,37	4,99	5,07	4,86	5,13	5,35	5,45	
52,89	53,06	54,22	55,59	54,89	49,31	49,08	49,50	50,10	51,15	
3,33	3,53	3,63	3,80	2,66	2,63	2,49	2,60	2,70	2,75	
10,89	11,98	12,00	12,59	13,07	13,46	13,77	13,56	13,73	13,83	
3,44	3,65	3,64	3,17	2,33	2,44	2,37	2,53	2,65	2,70	
34,64	35,99	37,51	34,52	27,64	23,86	21,53	23,57	26,92	29,07	
- 1,27	-87	-37	-2	-11	1	1,10	1,05	68	73	
33,37	36,12	37,14	34,50	27,53	23,87	22,68	24,62	27,60	29,79	
23,87	27,27	29,33	30,46	32,72	33,07	32,91	32,53	31,84	31,69	
7,50	10,85	7,81	4,04	-5,19	-9,20	-10,23	-7,96	-4,24	-1,90	
6,01	6,23	5,23	6,12	5,74	...	...	...	...	...
1,49	4,57	2,53	-2,08	-10,93	-4,95	...	...	...	...

the following years have been, or will be, met by temporary borrowings from the depreciation to Revenue were taken in reduction of operating expenses up to 1931-32. From 1932-33 included in net miscellaneous receipts.

PRESENT INDIAN CLASSIFICATION.

Class	Class rate (Maximum)		
138
242
358
462
577
683
796
8	1.04
9	1.25
10	1.87

The average miles a ton of goods is carried on any one of the railways in India is about 200 miles, and if we take it roughly that on the average, the bulk of the traffic passes over more than one railway, we might put down the average haul as 300 miles. Now, the rate per maund per mile in England for goods falling in the 10th class for a distance of 300 miles is 0.58 of a pie which is less than the class rates in India for goods falling in the 4th class and above and equal to that for goods falling in the 3rd class. It would appear that the 4th class of the Indian classification corresponds roughly to the 10th class of the English classification.

Turning from rates for goods to fares for passengers, it is known that the lowest rates for passenger traffic are to be found in India. This does not appear to have harmed the railways in any way; and Sir William Acworth, a shrewd observer of railway matters, is credited with the remark that Indian railways are probably the only railways in the world which are making a small profit on the carriage of passengers.

XII. REDUCTION OF RATES AND FARES

There seems to be a general consensus of opinion that there is little room for an increase in the scale of rates and fares.

The indications are that, to battle successfully with road competition, there should be a general reduction in short distance rates both for passenger and goods traffic with a simultaneous abolition of differences in class, both for passenger and goods, as in the case of motor bus and railway luggage rates. Other possible improvements are the abolition or reduction of terminals, and short distance charges now being levied on short distance traffic, the introduction of a general scheme of mileage gradation on the continuous mileage on all railways intended to increase the average length of haul, and the extension of the "free" time for wharfage and demurrage on the advance payment of a reduced scale of charges.

A special committee of the Indian Railway Conference Association was appointed in April 1934 in connection with a proposal to revise the general classification of goods in India. It consisted of four Traffic Officers, with expert knowledge of rates matters and they were asked to report what statistics would have to be compiled, and in which way, in order to furnish the data that will be required in solving the problems which changes of the general classification on the lines suggested in the previous para would present. The Committee were specially asked to keep in mind the fact that the special statistics, they would recommend the compilation of, should enable the financial effects of any changes in classification or rating policy to be estimated. The Committee are reported to have submitted their report, but this has not been published.

XIII. THE FIELD FOR ECONOMIES

Turning to the consideration of the working expenses, it will be noticed that while the receipts have not shown an increase commensurate with the growth in the capital outlay, the working expenses have done so and have risen to the figure of about Rs. 102 crores in 1930-31. It is true that there is room for economies on all sides; but these economies cannot alter the 'fixed charges' for interest and depreciation, unless some book-keeping devices are resorted to, for purely administrative or political reasons. The following figures bring out the fact that the scope for economy and retrenchment is restricted to about a half of the total expenditure.

(Amount in crores of Rs.)

	1924-25	1925-26								
1. Capital State worked Lines ...	289	400	416	485	470	491	486	502	500	...
2. Capital Company worked Lines ...	364	272	282	295	266	276	282	285	286	...
3. Capital All State Railways ... (including miscellaneous items)	655	675	701	733	739	770	788	790	790	790
4. Gross Revenue receipts ...	101	100	99	104	104	103	95	87	84	87
5. Depreciation ...	10.35	10.67	10.89	11.88	12.00	12.59	13.07	13.55	13.77	13.59
6. Surplus profits ...	1.42	1.77	1.66	1.57	1.59	1.52	1.16	0.64	...	...
7. Interest charges ...	23.95	24.82	27.52	28.76	29.34	30.47	32.72	33.07	32.91	32.58
8. Total Fixed charges ...	85.72	87.26	40.07	41.71	42.98	44.58	46.95	47.26	46.68	46.17
9. Proportion at Interest charges to receipts ...	24%	25%	28%	28%	28%	30%	34%	38%	39%	37%
10. Proportion of fixed charges to gross receipts ...	35%	37%	40%	40%	41%	43%	49%	54%	56%	54%
11. Total Working Expenses ...	83.40	91.81	92.63	94.64	98.69	100.74	102.02	97.03	94.66	94.71
12. Proportion of fixed charges to working expenses ...	40%	40%	43%	44%	44%	44%	46%	50%	49%	49%

The percentage of the fixed charges on the total gross receipts has increased steadily from year to year from 35 per cent. in 1924-25 to 56 per cent. in 1932-33. Even if the gross receipts of 1930-31 had reached the top figure of Rs. 104 crores, the percentage would have been about 45 per cent., the highest percentage on record. If the ratio of these charges to the gross receipts have to revert to the 35 per cent. in 1924-25 the yearly gross receipts should be increased to the enormous figure of 134 crores, a remote possibility. If the ratio is to be maintained at the mean figure of 40 per cent., it would still be necessary to earn a sum of Rs. 117 crores as gross receipts, a figure that has never been reached before.

It might be supposed that the provision that is being made for depreciation each year is more generous than is warranted by the actual deterioration or obsolescence of the assets, and that a safer index to the trend of things will be the ratio of the interest charges to the gross receipts which has increased from about 24 per cent. in 1924-25 to about 39 per cent. in 1932-33. To get back to the 1924-25 ratio, it would be necessary to earn about Rs. 136 crores as gross receipts, while to achieve the ratio of the steady years 1926-29 the receipts will have to be about Rs. 117 crores, the figure that was arrived at, taking the depreciation also into consideration.

The proportion which the 'fixed charges' bear to the total charges has varied in these years from 40 per cent. to 49 per cent., and as retrenchment can affect only the varying charges, the percentage is likely to increase in the next few years.

XIV. JOB ANALYSIS

The services of an efficiency expert of the London, Midland and Scottish Railway were requisitioned twice during the year to report on the methods to be adopted in India to increase the efficiency of railway operation and to bring about economies therein. The methods he has recommended resolve themselves into an intensive examination of all avenues of operation which goes by the caption of 'Job-analysis'. An organisation has been set upon each railway of a more or less semi-permanent nature to carry on this work. The results of Job-analysis have been officially stated to be as shown below :

Railway.	Cost of 'Job analysis' organisation, Rs.	Savings effected, Rs.
E. I. Rly.	77,691	7,07,088
G. I. P. Rly.	56,680	4,15,000
N. W. Rly.	82,000	12,66,744
E. B. Rly.	68,000	2,14,864
Total	2,83,160	29,50,558

¹ Only estimated annual figure.

The reduction in working expenses of 1933-34 as compared with those of the previous year is about a third of a crore and most of it is apparently due to nothing other than the economies from 'Job-analysis.'

XV. THE PROVISION FOR DEPRECIATION

Previous to 1924, Indian railways did not set apart any sum annually to provide

for the depreciation of assets that had not been corrected by the expenditure incurred in the year on renewals and replacements. During the War, the expenditure on renewals and replacements was greatly restricted and railway property had deteriorated very considerably in value. The postponement of the expenditure on renewals and replacements led to the companies working State railways earning large surplus profits in accordance with the provisions of their respective contracts, but their extra earnings were at the cost of the State and of the tax-payer. In the post-War years, larger funds had to be provided annually for expenditure on renewals and replacements to overtake and correct the deterioration of assets during the War.

For these reasons, a Depreciation Fund was started, as provided for in the Convention of September, 1924. The original intention was, no doubt to make it applicable to Company-managed railways also, so that the surplus profits of the Companies might not be enormously increased by purely adventitious circumstances. The Companies would not accept the arrangement, and there was no alternative but to keep such an account for the Company railways *outside* their accounts and set apart an annual sum from the net earnings accruing to Government after the companies had been given their surplus profits in accordance with the old practice. This has been done, and a Depreciation Fund account is being maintained by Government for Company-managed railways, outside the regular accounts.

XVI. DIFFERENT RULES FOR COMPANY LINES.

Before the Depreciation Fund was instituted, the rules of allocation of expenditure between Capital and Revenue had been very strict. Nothing was chargeable to capital unless there was, not only an increase in the cost, but also a definite and substantial improvement in service. The variations in price levels of different times were not allowed to lead to over-capitalisation, and original costs were converted into the probable costs of replacement (at the time of replacement) to determine whether the cost of the new asset provided in replacement was more or less than those of the old. Renewals of permanent-way carried a charge to capital only on the basis of the extra *weights* of rails and sleepers put in; reconstruction of bridges was similarly allocated only on the basis of the increase in the weight of girders;

and no charge lay to capital when rolling stock was renewed unless there was an increase in the tractive effort of locomotives, the floor area of carriages, and the carrying capacity of wagons.

These well-tryed rules of conservative finance were altered for State-managed railways with the creation of the Depreciation Fund, and charges were admitted to capital on the simple basis of cost. The immediate effect of the new rules of allocation was to lead to the over-capitalisation of railways, and the understatement of the charge to revenue. As the works *under construction* in 1924 were also allocated on this basis the effect of these rules was to some extent retrospective. The Fund was started with a 'nil' balance, and the annual provision for depreciation was made on the straight line method of accounting for this on the basis of the lines of certain of the more important assets. The immediate benefit of this arrangement was that it admitted of expenditure being incurred freely from capital funds without the connected charges, (allocatable to revenue under the old arrangements and now met from the Depreciation Fund) affecting the working expenses of the year. This had always been in the nature of a stranglehold on the spending capacity of railways, under the old systems, and it had become a rather common occurrence for capital funds to be provided only to be returned largely unspent.

One effect of the distinction in the rules of allocation between Company and State-managed railways is that the expenditure incurred on these railways on the replacement of assets is no longer comparable. To replace the same assets, the expenditure incurred from revenue by a Company-managed railway would be more than that incurred by a State-managed railway from the Depreciation Fund. Till recently, there was another complication due to the Company-worked railways crediting the present cost of materials removed from the line in reduction of their expenditure on renewals and replacements while the State-worked railways credited these adventitious receipts to the working expenses of the year.

The following figures indicate the annual provision for depreciation charged to working expenses and the annual expenditure incurred from the Depreciation Fund; the figures in the Government accounts worked out for Company-managed railways have been shown separately. The balances left over in the Fund each year are given also.

Depreciation Fund :

In Crores of Rupees.

		to		to		to		to
		Cr. Fund	Dr. Fund	Balance	Cr. Fund	Dr. Fund	Balance	
1924-25	...	4.86	3.60	1.26	5.49	3.79	1.70	
1925-26	...	6.88	4.88	2.00	4.29	3.61	0.68	
1926-27	...	6.59	5.14	1.25	4.50	2.91	1.59	
1927-28	...	6.73	6.42	0.81	4.65	4.58	0.12	
1928-29	...	7.11	5.52	1.59	4.88	4.08	0.80	
1929-30	...	7.97	6.08	1.89	4.62	5.68	-1.06	
1930-31	...	8.30	6.32	1.98	4.76	5.08	-0.32	
1931-32	...	8.55	5.08	3.52	4.92	3.24	1.68	
Total				14.80			5.19	

All State Railways.

	Cr. to Fund	Dr. to Fund	Net accretion
1932-33	13.77	6.85	7.42
1933-34	13.56	8.00	5.56
1934-35	13.75	8.00	5.75
1935-36	13.25	9.50	3.75

The figures in the above table are interesting from another point of view. While the annual balances on the State Railways have increased steadily from 1.25 crores in 1926 to Rs. 1.98 crores in 1930-31, they decreased steadily on the Company-managed railways. This is due mostly to the fact, that on the latter, the rules of allocation force a larger debit to depreciation. Had the State-run railways followed the same rules of allocation as the Company-worked lines, the balances in the Depreciation Fund would necessarily have been very much smaller. That is to say, the present balances in the Fund are artificial and due, in a large measure, to the 'over capitalisation' resulting from the cost basis of allocation ; a temporary relief in the annual expenditure has been obtained, but through an increase in the recurring charges for interest which have grown from Rs. 23.90 crores in 1924-25 to Rs. 32.72 crores in 1930-31, i.e., by nearly 8.82 crores of rupees.

XVII. RAILWAY DEPRECIATION FUND AND OVER-CAPITALISATION

The view has been held that, while it is essential for a commercial undertaking to run a depreciation fund, it is not so very important for a public utility service of a permanent nature, so long as a stringent programme of renewals and replacements is consistently followed and the rules of allocation of expenditure to capital are on the conservative basis of improvement. There is something to be said in favour of this view, according to which the accounts of

most of the English railways are still being kept.

The principal argument against a Fund is that expenditure from the Fund is not automatically controlled by a cast-iron link to the year's resources, and that there is room for a certain amount of extravagance. It there are no funds in the Capital budget or the Revenue budget, expenditure can still be incurred from the Fund or allocated thereto. The cost basis of allocation requires the original cost of the replaced asset to be known ; and as this is not readily available in most cases, it is merely estimated. The charge to capital depends unfortunately on the accuracy of these estimates, while under the old system, the charge was a small percentage of the new cost in most of the more important types of renewals. The room for consequent mis-classification of expenditure is rather great under the new system of allocation.

The theory is advanced that it would be a step in the right direction to revert to the old principles of allocation of charges between capital and revenue on the improvement basis, and simultaneously abandon the Fund, the accounting for the transactions of which has enormously increased accounting and clerical work in all directions. The experience of the past 8 or 9 years has been valuable in indicating that the average annual depreciation of the wasting assets is in the neighbourhood of 12 crores of rupees and this figure could be used as an index by which the scale of renewals and replacements of each year can be judged and controlled. If for extraordinary reasons the actual expenditure on replacements and renewals were very much less than this figures, a suitable lump sum could be set apart from the revenues of the year for utilisation in later years, without the complicated accounting for a Depreciation Fund.

XVIII. DEPRECIATION FUND BALANCES

There are certain circumstances which indicate that the high balances of the fund do not necessarily imply that the contributions are on an extravagant basis.

(i) No provision was made at the inception of the fund for arrears of depreciation which were estimated at nearly Rs. 20 crores by a committee that examined the question in 1922. The amount in the fund is necessarily very much less than the value of the expired life of the existing assets.

(ii) The balances do not form a very high percentage of the capital at charge

though they form an increasingly heavier percentage. The figures are as follows :—

(Crores of rupees.)

Year		Capital at Charge	Depreciation Fund, balance	Percentage
1927-28	...	7.14	9.01	1.8%
1928-29	...	7.89	11.41	1.5%
1929-30	...	7.70	12.24	1.6%
1930-31	...	7.88	13.02	1.8%
1931-32	...	7.90	19.12	2.4%
1932-33	...	7.90	26.54	3.4%
1933-34	...	7.90	32.10	4.2%
1934-35	...	...	37.85	...
1935-36	...	...	41.60	...

The accretions to the fund during the last three years are abnormally high owing to comparatively low expenditure as a result of financial stringency. The average annual increase during the first seven years is Rs. 2 crores; during the next three it is over Rs. 6 crores. On the assumption that the fund would normally have grown at the rate of Rs. 2 crores a year—the average of the first seven more or less normal years—the balances at the end of 1933-34 can be taken at about Rs. 20 crores and equal to 2½ per cent. of the capital at charge. This cannot be considered a high figure seeing that the Depreciation Fund balances of the 4 British Railways are in the neighbourhood of 4 per cent. of their capital.

(iii) The contribution to the fund is proportionate to the assets in existence at present, whereas the withdrawals are proportionate to the assets in existence years ago which are falling due for replacement or renewal now. It follows that in a rapidly expanding concern like Indian railways the contributions must be inevitably much in excess of the withdrawals, and a difference of Rs. 2 crores between the annual contributions to the fund and the annual withdrawals, which was the average in normal times, can hardly be considered too high.

(iv) The capital at charge has increased from 1923-24 to 1931-32 by Rs. 170 crores, and the appropriation to the Depreciation Fund has correspondingly increased by Rs. 3.42 crores from 1924-25 to 1932-33. No withdrawals from the fund would be necessary on account of these newly created assets for a long time to come.

(v) Indian railways are still comparatively young; many of our assets have still a

long useful life and their turn to be renewed or replaced is still far distant. Out of the total estimated contribution of Rs. 13½ crores on account of all State Railways excluding worked lines in 1933-34 about Rs. 30 lakhs are in respect of assets with an average life of 200 years, about Rs. 43 lakhs in respect of assets with an estimated life of 125 years, and Rs. 171 lakhs in respect of assets with a life of 60 years.

(vi) In most of the years since the separation, Railways have been replacing assets bought when prices were comparatively low and paying contribution on assets bought at higher prices. The withdrawals from the fund have, therefore, been exceptionally low, while the appropriations to it have been particularly high. In later years the position might be different.

(vii) The rules provide that it is only when whole units are replaced that a charge representing the original cost, should be made to the Fund. When partial renewals are effected, no charge is made to the Fund. The cost is debited to Revenue—repairs and maintenance. As Sir Arthur Dickinson pointed out, an asset may be renewed partially many times during its life.

On the other hand there are certain factors which have operated in the opposite direction and tended to retard the growth of the fund:—

(i) Railways had a comparatively ambitious programme of works (including renewals) in the years immediately following the institution of the fund. In more recent years, though the programme of renewals has suffered considerable reduction, scrapping of assets—particularly rolling stock—without replacement has resulted in large withdrawals from the Fund.

(ii) Premature renewals (specially of permanent-way, in order to find second-hand rails for new constructions and to strengthen the main line track to carry heavier engines to deal with increased traffic) have been effected to a large extent; and, under a mistaken interpretation of the rules, the original cost of the asset renewed was in all such cases debited to the fund even when the asset had not been disposed of, but merely transferred elsewhere; for instance, when a length of permanent-way was removed from its original position and re-laid elsewhere on the line.

It may be added that apart from the high balances of the fund there is no evidence at present to justify the conclusion that the present estimated lives are too low. The experience since the starting of the fund has been too short and on the whole too abnormal to justify any conclusions on the question but it must be remembered that these lives were adopted after investigation by an expert committee consisting of an Engineer, a Locomotive Officer and an Accounts Officer and were based on the past experience of Railways. Secondly a comparison of the lives adopted on Indian railways with those adopted for similar assets by the London and North Eastern Railway does not suggest that the former have been under-estimated. Finally there is Sir Arthur Dickinson's recommendation that in no case should be greater life than 50 years be fixed for any railway asset, and that in the case of electrical apparatus, the maximum should be 25 years. His reason for making this recommendation was that in fixing normal lives sufficient account had perhaps not been taken of obsolescence.

XIX. INTEREST CHARGES

The steady growth of the interest charges, as an important factor in the diminution of the net return from Indian railways has been commented upon elsewhere. Of the 32.72 crores of interest charges met in 1930-31, 20.74 crores were in respect of State-worked lines and 11.95 crores in respect of Company-worked lines, roughly a third of the total. The total interest charges on English debt of various kinds, such as Sterling debt, Company's share capital, debentures and debenture stock aggregated about 5½ million pounds sterling, which converted at the average rate of exchange, is equal to about 7.40 crores of rupees or roughly a fourth of the total interest charges. Of the rest of the 25.32 crores, the lion's share is interest on capital outlay provided by Government.

The method of calculating interest on railway capital outlay is somewhat peculiar. It is calculated at the fixed rate of 3.3252 per cent. on the total outlay as on the 31st March, 1917, and at an *average rate of interest* on all capital outlay after that date. This average rate of interest has varied slightly in recent years owing to the higher interest charges on recent borrowings. The figures for the last few years are as follows:—

		per cent.
1919-20	...	5.9328
1920-21	...	5.1979
1921-22	...	6.1038

1922-23	5.48
1923-24	5.69
1924-25	5.54
1925-26	5.66
1926-27	5.43
1927-28	5.38
1928-29	5.63
1929-30	5.31

It had been the practice hitherto to obtain the average rate of interest applicable in any year by dividing the total interest charges for all railways, actually payable on all loans floated by the Government of India after 1916-17 by the *nominal* amount of the debt outstanding. This method did not allow for loans floated at a premium or discount. Most of these loans having been floated at a *discount*, the actual rate of interest applied has been naturally less than the actual cost of borrowing. It was wisely decided to apply the correct rate obtained by dividing the total interest charges, *not* by the nominal amount of the outstanding debt but by the actual amount realised for the nominal amounts. This has resulted in an increase of approximately one-third of one per cent. in the rate and about a crore in the interest charges borne by railway revenues.

It might not be out of place to observe here that, on the separation of Railway from General Finances in 1924-25, the Railway capital account was permanently debited with the balance on 31st March, 1924 of the capital liability involved in the purchase of railways under redemption by Annuities and Sinking Funds. As a consequence of this arrangement, the Railway Revenue Account is charged with the full interest in respect of the liability outstanding on 31st March, 1924 (included under the head Interest on Sterling Debt) and the balance required to make up the total annuity payment and the Sinking Fund charges is borne by General Revenues, thus giving a legitimate relief to the railway budget. As an exception to this arrangement, the charges for the Discount Sinking Fund for the old Oudh and Rohilkhand Railway, created for the redemption of debt incurred in excess of money raised for the purchase of the Railway, are still debitable to the Railway Revenue Account.

These Sinking Funds were established in connection with the Eastern Bengal, North Western and East Indian Railways to redeem India 3½ and 3 per cent. Stock issued in lieu of Annuity or Debenture Stock. They have been applied to the purchase of Indian stock of the denomination offering the best yield

One of the most vigorous criticisms made by the Acworth Committee was that the economic development of India had suffered enormously owing to the utter failure of Government to lay out sufficient borrowed money in railways at a time when the rates of interest were comparatively low. Lord Inchcape said that it would have paid Government in the earlier years to borrow funds at 1 or 1½ per cent. higher than the market rate at that time. He stated, in giving evidence before the Acworth Committee, "If I had a railway and wanted the money, and saw the trade there, I should raise the money, even if I had to pay 7½ or 8 per cent."—an opinion which should, no doubt, have been remembered at the time of deciding upon the postponement of the acquisition of the Bengal and North Western and Rohilkhand and Kumaon Railways.

The Acworth Committee said:

"Had the Government thought fit to borrow money even at a rate considerably higher than the rate of net return that the railways could earn on it, we believe its action would have been abundantly justified. But in fact the Indian Government never needed for many years previous to 1914 to face this position. A reference to the curve of net revenue given in the Administration Report on Railways in India will show that, though in the earlier years the interest on railway capital had to be met partly out of taxation, for the last 45 years the net earnings of the capital invested in Indian Railways has never sunk below 4 per cent. For the last 20 years it has only three times sunk below 5 per cent., and this result was attained though a substantial sum had been charged against revenue for repayment of capital and in spite of the fact that a not inconsiderable part of the total mileage had been built not on commercial grounds but for strategic purposes. Now the average rate payable by the Government of India on this borrowed money is about 3½ per cent. We are unable with these figures before us to find any justification for the policy which has been persistently pursued of starving the development of Indian Railways."

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It is likely that the Acworth Committee had in mind the construction of lines in suitable areas and the building of stock to keep abreast of the traffic that was actually offering, and not the provision of increased facilities or luxuries, such as a faster service, or better appointed carriages, or more expensive wagons or station buildings of architectural beauty. A good portion of the capital spent on railways during the last 14 or 15 years has apparently been invested in the latter directions and so failed to yield a commensurate return.

XX. STATE VERSUS COMPANY-MANAGEMENT

The capital at charge on the 31st March, 1931, of State-owned railways was 783.32 crores of rupees. Of this 497.91 crores appertain to lines worked by the State and 285.97 crores to lines worked by Companies, the balance being made up of miscellaneous items. While the return on the capital of State-worked railways was 2.85 per cent. and resulted in a loss of over 6.5 crores of rupees after meeting interest and other charges, the Company-managed railways showed a return of 4.76 per cent. and registered a small gain of 31.64 lakhs of rupees. The corresponding figures of rate of return and net financial result for the last few years are shown below and are full of interest.

Percentage of Net Revenue Receipt	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33
1. On Capital at charge: State Rys. ...	3.64%	5.33%	4.54%	4.49%	4.81%	4.59%	3.81%	2.85%	2.64%	2.57%
2. On Capital at charge: Company Rys. ...	5.92%	6.29%	6.29%	5.70%	6.07%	5.98%	5.07%	4.76%	3.74%	3.46%
In Lakhs of Rupees										
Net gain or loss to Govt.: State Rys.	-37	459	367	363	497	260	-80	-653	-765	-776
Net gain or loss to Govt.: Coy. Rys.	690	842	516	373	503	333	325	32	-215	-237
Total gain or loss (including Misc.) ...	641	1,287	869	721	1,015	659	254	-624	-980	-1,068

The figures in the above table show how very consistently the Company-managed State railways have yielded a better return than the State-managed railways. This is

somewhat remarkable considering that, while the State railways meet from Capital all the extra cost of replacing an asset, the Company railways meet such expenditure from

Revenue. The State-worked lines include the strategic lines of the Frontier, but even after making an allowance for the loss on these lines, the Company lines show a better result. The record of 1924-25 of a net gain of over 13 crores is accounted for partially by the State railways changing their rules of allocation in that year and charging very large amounts to Capital, that would have otherwise been charged to revenue in the same way as on the Company lines. This

record can never be reached again, as the adventitious paper credits to working expenses will not recur.

XXI. ARE COMPANY LINES MORE ECONOMICALLY RUN?

The following figures for individual State and Company railways would appear to go far in justifying the impression that Company railways are generally more economically run.

STATE RAILWAYS		Percentage of net earnings on total capital at charge									
STATE-MANAGED		1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33	1933-34
Eastern Bengal	...	4.25	3.89	5.25	5.28	4.98	4.19	2.29	1.62	1.56	
East Indian	...	6.99	6.07	5.65	6.13	5.79	5.08	4.22	4.12	4.18	
Great Indian	...	7.73	6.18	5.57	5.49	4.66	4.09	2.63	2.41	2.57	
North Western (Commercial)	...	7.42	3.86	3.99	4.78	4.79	3.78	3.23	2.95	2.77	
Burma	...	...	...	...	...	...	...	3.09	2.48	2.13	
COMPANY-MANAGED											
Assam-Bengal	...	3.02	3.94	4.11	4.67	4.49	3.18	3.05	2.60	1.39	
Bombay-Baroda	...	3.03	7.09	6.12	6.16	7.21	6.36	5.19	5.63	5.99	
M. & S. M.	...	6.86	3.57	6.67	6.37	3.22	7.23	6.00	6.19	5.58	
South Indian	...	3.72	7.98	3.13	6.79	6.87	6.68	5.43	5.11	5.11	
PRIVATE-OWNED											
Bengal & N. Western	...	9.35	10.25	11.12	11.43	10.35	9.82	7.96	7.82	8.39	
Rohilkand & Kumaon	...	7.95	9.85	7.58	8.51	8.03	7.24	7.09	6.67	7.58	
Nizam's State (B. Gauge)	...	9.71	9.60	9.11	9.87	9.46	9.87	8.00	6.72	6.04	
" " (M. Gauge)	...	9.39	7.89	8.94	9.31	9.41	7.88	...	...	...

Individual figures in the above table for each railways are not strictly comparable, as the State-managed lines generally set aside more for depreciation than the expenditure incurred on replacements and renewals; but the general tendency for economical management shown by Company-managed railways is unmistakable. The results of operation of State-managed railways have tapered off much more quickly during these years than those of Company-managed railways, whether owned by the State or not.

XXII. THE RETURN ON CAPITAL

The rates of return on the capital at charge of all State-owned railways taken together for several years are given below. The signs of deterioration are rather pronounced.

1913-14	...	5.01	per cent
1921-22	...	2.64	"
1922-23	...	4.38	"
1923-24	...	5.24	"
1924-25	...	5.85	"
1925-26	...	5.31	"
1926-27	...	5.05	"
1927-28	...	5.41	"
1928-29	...	5.22	"
1929-30	...	4.65	"
1930-31	...	3.70	"
1931-32	...	3.16	"
1932-33	...	2.88	"
1933-34 (approx.)	...	3.10	"

Thanks to the funds for railway construction having been borrowed in the earlier years at rates of interest varying from 3 to 4 per cent., a return of only 4.32 per cent. on the 783 crores of capital at charge on 30-3-31 would have been sufficient to stave off a loss. Taking State-managed railways separately, we find that a return of 4.16 per cent. would have been sufficient to balance the accounts, while the corresponding figure for Company-managed railways would be somewhat higher (approximately 4.65 per cent.) due to the surplus profits and higher rates of interest on the Company's capital having to be met in the case of the latter.

The above figures of "rates of return" on capital outlay do not correspond to the rates of dividend earned by commercial concerns. The latter generally represent the yield on the *ordinary capital* of the undertaking, after the payment of interest on loans and debentures, and depend upon the proportion of such loans to the total capital and the terms thereof. The Bengal and North Western Railway has, for several years, been declaring huge dividends to its shareholders, although the actual "rates of return" have been only between 8 and 12 per cent.

The scale of railway financial operations is so large that a small difference in the percentage of return accounts for a large differ-

ence in the surplus or deficit, as evidenced by the following figures:

Year	Percentage of Net Earnings on Capital	Net gain or loss to Government (In Lakhs of Rs.)
1923-24	... 5.24	6.41
1924-25	... 5.84	12.87
1925-26	... 5.23	8.69
1926-27	... 4.95	7.21
1927-28	... 5.30	10.15
1928-29	... 5.08	6.59
1929-30	... 4.49	2.54
1930-31	... 3.53	-6.24

1931-32	3.02	-9.86
1932-33	2.88	-10.80

It is possible to use a statistical figure for the comparison of the results of working of the different classes of railways which avoids the difficulty mentioned above of the difference between State and Company lines about the provision for depreciation. This is the percentage that ordinary working expenses exclusive of the expenditure on replacements and renewals bear to the gross earnings. The following are the comparative figures for several years:

		PERCENTAGES								
STATE-MANAGED		1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932-33
East Indian	...	51.84	51.15	51.20	52.70	50.06	52.02	54.12	52.08	51.97
Eastern Bengal	...	58.94	60.82	54.28	58.01	55.88	56.71	64.88	65.26	65.80
North Western	...	54.13	55.80	57.52	60.04	60.59	68.22	66.69	62.54	62.58
Great Indian	...	54.11	62.52	60.62	46.87	55.14	58.07	68.41	60.88	59.75
COMPANY-MANAGED										
Assam-Bengal	...	55.07	51.40	50.20	47.12	49.48	55.20	56.81	59.78	65.70
Bombay-Baroda	...	49.65	52.34	54.58	52.82	52.07	53.22	56.73	53.16	52.49
M. & S. M.	...	46.68	47.87	49.00	45.50	43.57	43.23	49.69	40.55	48.28
South Indian	...	50.24	50.01	47.57	44.44	46.76	45.48	49.80	49.80	50.67

XXIII. PURCHASE OF LINES BY THE STATE

The convention of September, 1924, appears to envisage a tacit undertaking by Government to transfer to State-management the railways which were operated by Companies as and when the contracts with these latter expired. Since the convention was agreed to, the East Indian, Great Indian Peninsula and Burma Railways have come under State management and certain privately-owned lines, such as the Southern

Punjab Railway (7 crores), have been purchased. But the policy of Government's assuming the management of these railways have received a check in recent years and the contracts with the Companies managing the Bengal and North Western, the Rohilkand and Kumaon and the Assam Bengal Railways have had to be renewed for different periods. The two former are privately-owned railways which have for several years been yielding a return on the outlay of much over 6½ per cent., as the following table will show:

	1923-24	1924-25	1925-26	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32
B. & N. W.	9.84	9.85	10.25	11.12	11.48	10.35	9.82	7.96	7.88
R. & K. ...	8.85	7.95	9.35	7.88	8.51	8.08	7.24	7.09	6.67

Under normal circumstances it would have apparently been in the interests of the taxpayer to have arranged to acquire these lines with the help of borrowed funds on the 31st December, 1932, but due, perhaps almost entirely to the difficulty of raising loans, these contracts with the railways have been extended for another five years, the terms and conditions being altered slightly in favour of the State.

The contract with the Assam Bengal Railway, which is a State-owned railway, could have been terminated on the 31st December, 1931, but it was considered that it would not be financially profitable to purchase the Company's interest in the railway and the

contract continues automatically for another 10 years, i.e., up to the 31st December, 1941. Amongst the reasons advanced against the immediate assumption of State control of this railway were the following:

(i) The loss of Indian income-tax on the Company's earnings.

(ii) The high interest charges that would be payable on the sum required to meet the purchase price.

(iii) The possible postponement of the beginning of important projects such as the Bombay Sind connection and the Decca Aricha Railway, were funds diverted to the transfer of the Assam Bengal Railway.

(iv) The probability of the assumption of the State management of the railway leading to an increase in the cost of staff and the consequent reduction of the net earnings. It will be noticed that all these reasons could be advanced with almost equal strength against the transfer to the State of any Company-managed railway.

XXIV. PURCHASE OF RAILWAY STORES

According to the convention of 1924, Government was committed to the undertaking that the purchase of stores for the

State Railways should be undertaken through the organization of the Stores Purchase Department of the Government. The significance of this undertaking lies in the belief that the latter department owes its genesis to the policy of Government to encourage Indian industries and make its purchases of stores, wherever possible, in India itself. The following figures give some indication of the scale of purchases of State Railways in one year and the vital influences this must necessarily have on the industrial and commercial life of the country.

Value of Railway materials purchased.

(In Crores of Rs)

VALUE OF IMPORTED MATERIALS

	Total Purchase 1932-33	Purchase direct	Purch- through Agents in India	Tot Impor materi	Value of indigenous materials	Total Purch ses 1931-32	Total Purcha- 1930-3	Total Purcha- 1929-3
Rolling Stock ...	1'33	0'47	0'57	1'04	0'29	3'20	6'44	8'91
Tools and Stores ...	8'11	0'13	1'42	1'55	1'56	3'74	5'68	7'14
Permanent Way ...	2'07	0'03	0'12	0'15	1'92	3'68	4'05	5'56
Electric Plant ...	0'63	0'14	0'48	0'62	0'01	0'87	1'40	2'16
Building and Station materials and fencing ...	0'18	0'01	0'10	0'11	0'07	0'29	0'57	0'57
Bridge Work ...	0'18	...	0'07	0'07	0'06	0'15	0'32	0'53
Workshop Machinery ...	0'25	0'07	0'18	0'25	...	0'26	0'46	0'66
Engineer's Plant ...	0'14	0'08	0'10	0'13	0'01	0'14	0'28	0'44
Other materials* ...	3'23	...	0'30	0'30	2'93	3'57	4'60	4'10
Total ...	11'04	0'88	3'33	4'21	6'83	15'99	23'75	30'06

* Other materials consist of coal and coke, stone, brick, lime and ballast, etc.

From a comparison of the figures for the purchase of Stores in recent years given above, with those for the earlier years shewn on p. 282, interesting inferences can be drawn. The hectic buying of materials immediately after the Great War must have had repercussions in many directions.

XXV. PURCHASE THROUGH THE INDIAN STORES DEPARTMENT

The value of the annual purchases of stores in a normal year might be taken to be approximately 30 crores of rupees, of which more than half is the cost of imported materials, if the purchase of stone, bricks, lime, ballast, coal and coke included under the head "other materials," is excluded. The bulk of these purchases appears to have been made through the machinery of the Railway Stores Departments, instead of through the Stores Purchase Department of the Government of India, as the following official figures will show:

	(In Thousands of Rupees)		
	1929-30	1930-31	1931-32
1. Textiles ...	41,17	38,24	16,92
2. Cement ...	16,53		
3. Creosote ...	...	
4. Lubricating and other oils and greases ...	57,44		
5. Paints and Var- nishes ...	17,35		
6. Electric Fans, lamps and other electrical stores	8,69	89,74	1,09,22
7. Plant and Machi- nery ...	1		
8. Water supply materials ...	2,11		
9. Structural steel work including bridge girders	48		
10. Soaps ...	53		
11. Hardware ...	2,81		
12. Miscellaneous	3,33		
Total ...	1,50,45	1,27,98	1,26,14

The above figures show in a general way that increasing use is being made of the

Value of Stores purchased by the Principal Railways (which reported)

(In Lakhs of Rupees)

A.—Value of Stores imported direct.

B.—Value of Imported Stores purchased in India.

C.—Value of Stores of Indian Manufacture or of Indigenous Origin.

N.B.—Materials invariably purchased in India such as bricks, lime and mortar, timber, ballast &c. are not included.

Classes	1915-16			1916-17			1917-18			1918-19			1919-20			1920-21			1921-22		
	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C	A	B	C
Bridge-work ...	3	1	2	3	...	1	1	...	...	...	...	...	6	...	...	83	1	2	92	3	1
Engineer's Plant excluding petty tools ...	4	2	...	1	2	...	...	1	...	1	2	1	1	4	1	4	8	1	13	10	1
Workshop Machinery & heavy tools ...	9	2	..	3	3	...	3	4	...	3	5	...	15	8	...	30	24	...	54	12	1
Permanent Way.																					
1. Rails	18	1	14	27	9	27	...	2	4	...	...	50	1,13	...	82	51	...	62	88	20	1,00
2. Steel and Cast-Iron Sleepers and Chairs and fastenings	91	2	14	18	...	38	2	...	13	2	...	14	57	2	34	1,04	4	33	1,23	9	60
3. Wooden Sleepers	...	...	...	...	...	...	...	...	...	...	...	1,28	...	...	1,80	16	15	1-56	2	29	2,35
Rolling Stock.																					
1. Locomotive and spare parts	1,35	1	5	31	3	3	56	5	4	91	4	5	1,44	4	6	6,54	24	6	5,98	10	6
2. Coaching and Goods Stock including spare parts	1,48	5	21	70	11	11	37	14	32	89	32	62	6,44	44	69	5,43	35	1,05	7,05	50	1,47
3. Building and Station Materials and fencing	5	5	8	3	12	10	1	11	9	1	11	6	7	15	9	12	26	13	27	23	12
TOOLS AND STORES																					
1. Tools and Cutlery	3	3	1	3	7	1	3	11	1	5	13	1	10	11	2	13	13	2	14	14	2
2. Iron, Steel and other metal (excluding Public Way materials)	30	16	15	15	45	21	11	79	33	36	55	57	68	60	78	61	33	68	63	73	59
3. Portland Cement	5	1	...	...	3	3	...	2	3	...	...	4	...	1	3	3	5	5	5	3	4
4. All other stores	83	60	8,35	23	1,18	4,80	14	1,38	5,06	13	1,79	3,76	69	2,15	4,15	63	2,22	4,41	1,30	5,25	4,43
5. Electrical Plant and materials	12	7	...	8	11	1	7	11	1	7	17	2	21	28	1	31	36	2	53	35	2
Total	4,81	1,06	4,17	2,10	2,24	5,96	1,35	2,78	6,06	2,48	3,18	7,06	11,43	8,92	8,30	16,23	5,01	9,01	19,72	8,16	10,78
Grand Total for the year	9,54			10,30			10,19			12,72			23,70			30,25			38,61		

central machinery of purchase, such purchases having increased from 104 lakhs in 1928-29 to 150½ lakhs in 1929-30 and dropped to only 126 lakhs in 1930-31. Nevertheless, the proportion of these purchases to the total average of about 30 crores is only about 5 per cent., a rather dis-appointing ratio to those who believe in the efficiency of centralised purchases.

To those who are interested in the study of the gradual change in the policy of railway stores purchase, the table of figures in the next page will be informative. Mark how the purchases of stores, (exclusive of brick, lime, ballast, etc.), have increased from 9½ crores in 1915-16 to 38½ crores in 1921-22, and how the value of stores purchased in India has generously increased from year to year.

XXVI. RUPEE TENDER SYSTEM

The new stores purchase rules promulgated with the Government of India, in the Industries Department, Resolution No. S.217 of the 12th December, 1929, came into force from the 1st January and provide that all articles required to be purchased for the public service, except those of special and unusual character, must be purchased on the condition that delivery shall be made in India for payment in India. They also permit of a limited degree of price, preference being accorded to articles produced or manufactured either wholly or partly in India. Departmental regulations have been issued by the Railway Board for the guidance of railway officers in the observance of these rules. The assertion of a more definite preference for stores produced or manufactured wholly or partly in India, which was the feature of the rules made by the Secretary of State more than a decade ago, has thus been followed up by a fairly strict rule requiring purchase in India and in Indian coin.

These rules for stores purchase apply in their entirety only to the State-worked railways. They cannot be made to apply, as a matter of course, to Company-managed State railways as they might be considered to infringe upon the powers of the Companies' Home Boards in these matters. But the Company-managed railways were asked to follow these rules as far as might be practicable. The following percentages of the English grant to the total grant for stores purchases for the last three years bring out the difference between State-managed and Company-managed railways in the matter of observance of the new policy of Government.

	1929-30	1930-31	1931-32
State-managed Railways	24%	16%	7%
Company-managed Railways	44%	31%	30%

While there has been practically no change in the percentage of purchases made by the Company-worked State railways after the "Rupee Tender System" of purchase came into force, that of the State-worked railways has been more than halved.

XXVII. STORES BALANCES

Another interesting statistics in connection with railway stores are the percentages of the balances of stores on hand to the total issues of stores on railways.

(Amounts in Lakhs of Rupees)

Year	Receipts	Issues	Closing balance	Percentage of closing balance on issues
1925-26	40,44	42,41	14,87	35
1926-27	41,24	42,13	14,26	34
1927-28	49,55	47,03	16,79	36
1928-29	45,97	46,04	16,73	36
1929-30	41,51	41,70	16,54	40
1930-31	32,74	34,40	14,89	43
1931-32	...	...	13,65	...

Technical opinion is not in favour of laying down definitely a method by which the normal maximum balances of stores of each railway should be calculated, but is of the view that the closing balances of stores should not ordinarily exceed 40 per cent. of the issues. Judged by this criterion, there has been an accretion of stores balances during the last year, perhaps inevitable in view of the economic position.

XXVIII. INDIAN RAILWAY COLLIERIES

There are ten collieries in India which are owned and worked by the State. The capital investor in them up-to-date exceeds 4 crores of rupees and is roughly distributed as follows:

	Lakhs.
Land	89
Buildings	51
Plant	99
Rolling Stock	2
Sidings	26
Development	127
Cost of Prospecting etc.	19
Capitalised loss in working	1
	<hr/> 414
Less, Depreciation cleared off	52
	<hr/> 362

The output of the collieries has been much curtailed, but is over 2 million tons of coal of all kinds per annum. The out-

lay on each quarry and the output during the years 1931-32 and 1932-33 are shown below:

Colliery.	Owner	Fixed assets value	Output Tons.	
		Lakhs Rs.	1931-32	1932-33
1. Joint Bokharo and Sawang	E. I. & B. N.	48	702,845	562,825
2. Kirharbaree and Serampore	E. I.	68	647,228	560,984
3. Bhurkunda	State	54	161,452	148,185
4. Kargali ...	State	43	686,429	414,185
5. Argada ...	B. N.	29	284,016	194,228
6. Talcher ...	B. N.	19	234,016	19,371
7. Jarangdih	B. B. & C. I. & M. & S. M.	78	111,124	137,244
8. Talcher ...	M. & S. M.	89	32,748	89,561
9. Kurasia ...	B. B. & C. I.	8	...	14,204
10. Religara	No longer worked	20	...	21,40

The Kirharbaree and Serampore collieries are owned entirely by the State, and no royalties are paid to private owners of underground rights. The bulk of the coal from these collieries is mined at a depth of about 1,000 feet below the surface of the earth and heavy expenditure has had to be incurred, on pits, and galleries lifting tackle, pumping and lighting machinery. A fine battery of coke-ovens and an up-to-date recovery plant work in conjunction with these collieries and the outlay in these is included in the amount of the 68 lakhs, constituting the "Block account" of the collieries.

On the other hand, most of the coal in the Bokhara Sawang and Kargali collieries has been *quarried* and not mined. There has been no expensive outlay on pits and galleries, on lighting or pumping. The mining rights have been leased on a royalty basis and capital expenditure which might otherwise have been incurred has thus been avoided.

The 'cost of production' of the best steam coal from the State Railway Collieries varies with each colliery. At the pits' mouth, it is about three rupees per ton in Kargali, but less than Rs. 2-8 per ton at Bokharo, while it is as much as Rs. 4-8 per ton at Giridih, and Rs. 4 per ton at Bhurkunda. The market rates for the same quality of coal have a natural tendency to approximate to an average, irrespective of the cost of production; but the more centrally located collieries have advantages in regard to freight that are no doubt fully taken advantage of, in fixing the selling prices. The opening up of new quarries and collieries in the Central Provinces has served to increase the competition in the Bombay markets, as the lower quality of the coal is more than compensated for by the railway freight. The cost of coal, per ton, purchased by Indian Railways, *exclusive* of freight, varied from Rs. 8.9 per ton paid by the Assam Bengal

Railway, to Rs. 3.44 per ton paid by the Bengal Nagpur Railway. The average cost of coal, per ton, purchased during 1932-33, *inclusive* of freight, varied from Rs. 18.9 per ton paid by the South Indian Railway to Rs. 5.94 per ton paid by the Bengal Nagpur Railway.

Indian railways consumed 6.3 million tons of coal per annum during 1931-32 and 1932-33, which quantity is roughly three times the output of the railway collieries. Most of the collieries, other than those in the Bokaro-Ramgarh field which yield quarry coal of excellent quality at a very low price, produce coal at a greater cost than the rate at which coal could be purchased, probably for the reason that the mines are not worked to maximum capacity.

Indian railways derive a very large revenue from the carriage of coal. The total tonnage of coal coke, etc., despatched by rail averaged over 16 million tons per annum during the last two years and the freight earned was over 8 crores of rupees per annum. Of this, the freight on coal intended for railway consumption was only 2 crores of rupees per annum. Considerable pressure is being brought to bear on the Government of India to adopt a scheme of compulsory restriction of coal in order to help the Indian Coal industry. Any policy accepted or approved by Government for the compulsory restriction of coal output will have repercussions, not only on the policy regulating the development of railway (State) collieries at present, but also on the earnings and expenditure of State Railways.

VIZAGAPATAM

XXIX. A RAILWAY HARBOUR

Situated between the 17th and 18th degree of latitude on the Coromandel Coast of India, Vizagapatam is almost midway between the 1,000 miles of unbroken sea line

served by two systems of railway, linking it with Madras and Calcutta ; and it was only a year ago that a new line of railway, nearly 300 miles long linking the port with Raipur in the Central Provinces of India, was opened for traffic and thus brought an area in the heart of the country of about 87,500 sq. miles into direct touch with the great arteries of sea-borne commerce.

The new Port of Vizagapatam has the distinction of being the only port in India which has been created by the untiring zeal of Indian railways. All the earlier schemes proposed by eminent engineers like Mr. Thorowgood, Sir Alexander Rendle, Sir William Mathews and Sir Francis Spring, contemplated an entirely artificial harbour on the sea-face on the lines of that at Madras, and it was left to the enterprise of the Bengal Nagpur Railway, which obtained sanction nearly 20 years ago for the preparation of a scheme to consist of an inside harbour at Vizagapatam.

The firm of Sir John Wolfe Barry and Partners engaged by the railway is credited with the suggestion for the alternative scheme and the first plans were prepared as early as 1922 by Col. Cartwright Reed, who had the distinction of commencing the work. After his retirement in 1928 the work has been carried on to a successful conclusion by Mr. W. C. Ash, Engineer-in-chief, with the assistance of Captain J. W. Day, who is in charge of the dredging operations.

The Harbour is situated in a natural basin surrounded on all sides by the hills. The entrance to the sea is through a channel half a mile in length and about 300 feet broad, which has been deepened by dredging operations to allow, at present, of ships of a minimum draft of 28 feet 6 inches negotiating it in safety. There are three mooring berths, one of which is reserved for management of the loading being done by lighters. A third quay berth is expected to be available shortly.

The rocky bottom of the channel was attacked with the help of a special Rock Breaker and Dipper Dredger "Waltair" built by Messrs. Lobnitz and Co. of Renfrew, which is equipped with a 6-ton 'needle' with a point of nickel-steel. This 'needle' lifted 6 feet and dropped on the rock bottom a hole of about 3 feet and a succession of such holes at distance of 3 feet is made. When this is done, the "dipper" comes into action and with its steam shovel, picks up the rock and deposits it in barges, to be carried away. More than a million cubic feet of rock have thus been excavated.

The siltation due to the Littoral drift has been kept in check by an artificial break-

water, that has been ingeniously constructed by scutting two ships, the Janus and the Willesden, in the correct position, stern to stern and by dumping around and about them large boulders. Resting on the sea-bed, these ships have still a free board of about 15 feet. They have been in position for over 18 months and have functioned successfully so far. Under the protection of this novel breakwater, the suction dredger "Vizagapatam" has been able to maintain the channel free from sand and to clear the 'sand-trap' created at the entrance.

The quay wall is over 1,600 feet in length and consists of 39 monoliths, each 40 feet by 25 feet, sunk at the depth of 45 feet below low water, offering considerable room for further dredging. A dry dock measuring 320 large transit sheds 400 feet by 200 feet with ing on the dredger 'Vizagapatam' will accommodate some of the coastal steamers.

Just behind the quay wall are situated largest transit sheds 400 feet by 200 feet with leading platforms at the back and railway sidings on either side of the front and back. Electric cranes are installed to run on rails the whole length of the quay wall. Stacking ground has been reserved for manganese ore, fed by a grid of railway sidings from which narrow gauge lines communicate with the jetties and the steamer. The Great Northern Trunk Road passes through the harbour area and a steam ferry carries vehicular and pedestrian traffic across the harbour basin which cuts the road.

XXX. THE HARDINGE BRIDGE

The bridge was completed in 1915 at a cost of about 3½ crores of rupees or say, £2,600,000 sterling, to replace the wagon and passenger ferry services that originally linked the main lines of the Eastern Bengal Railway located to the south and north of the Ganges, and formed part of the trunk routes between Calcutta and Northern Bengal, Darjeeling and Assam.

When the bridge was completed the main channel of the river was close to the left bank, but it subsequently began to swing over towards the right bank at the point where it passes through the bridge and at the same time swung over further towards the left bank in the reach upstream of the Sara guide bank. This tendency to swing periodically from one side to the other is a normal characteristic of alluvium usually confined within certain limits, which vary for each river and also for different portions of the same river. The tendency of the Ganges in the vicinity of the Hardinge Bridge in recent years has been to move over towards

an old channel, which it had previously occupied in 1868.

On receipt of the first news of a serious breach in the right guide bank in September 1933, the Railway Board cabled to the High Commissioner for India asking him to request Sir Robert Gales—who had been the Engineer-in-Chief in charge of the design and construction of the bridge is now a partner in Messrs. Rendel Palmer and Tritton, Consulting Engineers to the Government of India—to come out to India and advise the Board regarding the damaged guide bank and strengthening the protection works generally. Sir Robert Gales arrived in India at the end of November last and as a result of his inspection of the bridge, it has been decided to provide a mole for the protection of the south or right abutment by adding a curved head to the stump of the damaged guide bank, and to close the channel which had been formed at the back of the isolated head.

The items of work which were essential before the present flood season, in order to prevent damage to the protection and training works are detailed below, the roughly estimated cost being shown against each work:—

	In lakhs of Rs.
(1) Construction of a mole and back-water bund to protect the damaged right guide bank and the bridge from any damage ...	41.00
(2) Reinforcing the apron of the right guide bank by means of additional stone boulders ...	1.75
(3) Realignment and extension of the Sara and Raita protection banks	10.00
(4) Realigning, widening the apron, and extending the Damukdia Guide Bank ...	10.23
(5) Providing block protection round those piers which are in immediate danger of damage by the river ...	6.00
(6) Equipment and general charges ...	8.00
Grand Total ...	76.98

The following items of work will be deferred until after the present flood season, by which time it will be possible to know more definitely whether they are really necessary and also whether the proposals

required to be revised in the light of further experience gained during that season:—

	In lakhs of Rs.
(1) Further extension of the right (Damukdia) Guide Bank ...	14.00
(2) Reinforcement of the left guide bank ...	8.40
(3) Constructing marginal levees or flood embankments at Sara and Raita ...	4.70
(4) Restoration of the right guide bank to its original form by repairing the gap in it ...	35.00
Grand Total	62.10

Meanwhile, it was also considered advisable to provide for a ferry service, in case through rail communication over the bridge should be interrupted during the monsoon season, and in this connection it was essential that the following preliminary arrangements should be completed forthwith to enable the ferry service to be brought into use at short notice:—

	In lakhs of Rs.
(1) Acquisition of necessary land for ferry terminals and approaches ...	0.12
(2) Earthwork which must be completed before the flood season ...	0.12
(3) Purchase of new broad gauge wagon ferry ...	5.25
(4) Conversion of 14 miles of the existing metre gauge line to broad gauge ...	8.00
Total	13.00

If it should be necessary eventually to bring the ferry services into use, a further expenditure of Rs. 6.20 lakhs will be required.

The total expenditure immediately necessary is therefore Rs. 76.98 plus 13.80 = 90.78, or say, 90½ lakhs with a possible further outlay of Rs. 63.30 lakhs later.

The molehead, which is intended to serve as a temporary protection to the right abutment of the bridge, consists of a stone dyke laid below low water level and an earthwork embankment above and behind it. The face of the embankment is being protected by stonework to guard against erosion by the river. The magnitude of the work involved in the erection of the dyke can be gauged from the fact that many lakhs of cubic feet of stone have been dumped into the river for the purpose, and it has taken the best part of four months to bring the dyke up to low water level.

The backwater bund has necessitated the erection of 2 parallel stone dykes laid in deep water, which have also been brought up to low water level. As an additional safeguard to effect a watertight seal between the two dyke or the back-water bund, a line of steel sheet piling has been driven for a considerable distance. The mole and the backwater bund had to be raised some 40' above low water level to be safe against high floods during the rains. Once the works had been brought up to the surface of the water, it did not take long to complete the upper portion. To ensure an uninterrupted supply of stone, new quarries have been opened in the hills around Asansol, Adra and Gomoh, in addition to the existing ones in the Rajmahal hills.

Apart from the main work near the bridge itself at Paksey subsidiary river training operations are being carried out at three other points, Sara, Raita, and Damukdia. The guide bank at Damukdia is being lengthened, the stonework completed and a part of it is being realigned to ensure a smoother flow of flood water along the bank. At Sara and Raita the bank is being cut back for a similar purpose.

XXXI. INDIAN RAILWAY ELECTRIFICATION

An investigation made by the Railway Board to obtain an accurate picture of the financial results of the electrification of the various railways of the world has shown that there are at present in existence as many as 158 separate electrification schemes that have been carried out by 90 different administrations and which cover services over 10,500 miles. These electrification schemes have been brought into existence for widely varying reasons. The National Electric Light Association has analysed the reasons, considerations and objects which have led to these schemes. The analysis shows that, in the largest number of cases, steep gradients have been the main reason. Next in order of importance, comes that of increasing the capacity of the existing services. The reduction in the consumption of coal, especially imported coal, the availability of cheap hydraulic power, and transportation through long tunnels have been among other consideration. Certain schemes have been provided in order either to increase the number of trains, or to improve the suburban services or to conform to the bye-laws of local authorities relating to the abolition of smoke in inhabited areas, or to develop traffic or for considerations affecting either national economics or na-

tional politics. The number of cases in which schemes of electrification have been undertaken for purely financial reasons has been found to be comparatively small.

Enquiries made by the Railway Board of the English Railway Companies of the methods adopted by them to ascertain the financial results of electrification have proved infructuous. The London-Midland and Scottish Ry. stated that no comparative costs between steam and electric traction were kept, as the decision to electrify was not based on cost. The London and North Eastern Railway were unable to supply any particulars to show the results of electrification actually carried out; but suggested that a study of the "Report of the Main Line Electrification Committee" would be helpful in considering future electrifications. The Southern Railway, who keep detailed statistics of the cost of working electric trains, have found it a matter of extreme difficulty to ascertain the corresponding expenditure saved by the steam services replaced. They also keep statistics of earnings, but are unable to assess the value of traffic retained to the Railway by electrification owing to the reduced travel arising out of the general depression and the fact that cheap fare facilities have been extended to compete with road transport. The only railway to attempt an economic comparison between the two types of operation is the German State Railway which has instituted a detailed enquiry specially for this purpose, the results of which are not yet known.

All the electrification schemes in India have however been justified financially and it should have been possible in normal circumstances to ascertain from actual experience the extent to which anticipations have been realised. But the unprecedented slump in trade has upset all calculations, reasonably based on the assumption of a normal increase and there is no jump in the gross earnings to be attributed to electrification. On the other hand, the reduction in working expenses consequent on electrification cannot be readily ascertained and the large fall in traffic has a marked effect on the results.

ECONOMICS OF RAILWAY ELECTRIFICATION

The large increase in the interest and depreciation charges of any railway which proposes to invest capital in electrification should be off-set by the reduction in the running expenses, or by the increase in the receipts or by both. Electrification serves frequently to avoid or postpone

expenditure on the extension or duplication of tracks, on additional steam rolling stock and yard facilities, which would otherwise have been necessary. Even though the receipts of a railway have not been increased by electrification, the mere substitution of electric for steam traction results in an economic gain; and the extent of this gain is a measure of the success of electrification. It will naturally be larger if electric traction has had the effect of increasing the receipts simultaneously with the reduction of working expenses.

The peculiarity of electric operation is that it reduces the direct working expenses while increasing those relating to interest and depreciation consequent on the investment of fresh capital. The effects of electrification on the increase in the length of run and weight of the train and the speed have financial aspects which cannot be neglected in any examination of railway electrification from an economic point of view. The larger traffic capacity of electrified services required that it should be compared with the hypothetical steam traction of the same traffic capacity, that is to say, it would be necessary to take into consideration the expenditure that would have had otherwise to be incurred on increased steam assets.

Out of the one hundred and fifty-eight electrification schemes that are in existence in the world to-day, no less than 81 schemes have been justified either because of steep gradients or of tunnels. The provision of increased traffic capacity has brought forty-five into existence and twenty-seven schemes have been taken up in order to reduce the consumption of coal. These figures go to show what factors have counted most whenever electrification of Railway services has been considered. And in view of these factors, the conditions for electrification are somewhat ideal for the lines between Bombay and Kalyan, to Igatpuri on the North Eastern Section of the G. I. P. and Poona on the South Eastern Section.

About 40 miles parallel to the coast, the land rises suddenly to a level of about 2,000 feet and presents an effective barrier to transport between Bombay and the other parts of India. To negotiate these ghats, the ruling gradients of which vary from 1 in 40 to 1 in 37, the old steam services required reversing stations on the hills, in addition to special ghat engines of tremendous tractive power. Goods trains of the ordinary length and weight could not be

run 'through' to their destinations and had to be cut up into smaller sections before they could be taken up or down the ghats. Extensive marshalling yards had to be provided on either side of the ghats in order to facilitate this braking up of trains. As will be readily seen, delays were inevitable and wagon stock was detained with consequent loss of traffic and increase of wagon hire charges. Passenger services were somewhat similarly affected. A reversing station had to be used at Khandala, the speed over the ghat section was not more than 10 to 12 miles per hour, the tunnels were full of smoke and fumes, and there was tremendous waste of fuel in the service. The electrification of the railway from Kalyan to Igatpuri on the North Eastern Section and from Kalyan to Poona on the South Eastern is one of the largest schemes of Main Line Electrification in the World. The traffic is worked by 65 electric locomotives, of which 24 are high speed passenger locomotives and 41 are heavier goods locomotives. The tractive power of the passenger locomotives is 7,500 pounds at 70 miles per hour, while the maximum exerted by the freight locomotives is 80,000 pounds at 70 miles per hour. These latter are of the regenerating type, i.e., when travelling down the steep gradients of the ghat section the motors in them function as generators and convert the energy out of the pull of gravity into electric power. Simultaneously, this conversion of energy is utilised in braking the train.

All the trains run through to their destination without being broken up and the time taken is much reduced. For instance, the mails from Bombay to Poona which used to take $3\frac{1}{2}$ hours for the journey of about 120 miles are now able to do the trip in about $\frac{2}{3}$ rd of the time. Goods trains used to take 4 to 6 hours between their arrival at Kasara and the departure from Igatpuri, distance of about 5 miles, but the electric trains now run through within an hour's time. All these lead to savings in operating costs.

Financial Results of Electrification.—

The Consulting Engineers who prepared the estimate for the electrification of the Main Line anticipated a reduction in working expenses of over 42 lacs of rupees per annum for traffic which they estimated to rise in 1932-33 to over 36 lacs of train miles. They anticipated that this saving would yield a return of 7.73 per cent. of the estimated capital outlay on a capital

of a little over $5\frac{1}{2}$ crores of rupees. In 1930-31 owing to the unprecedented slump in trade, the train mileage was below 20 lacs, about $\frac{1}{2}$ of the estimated amount. After a careful investigation the Railway Board have estimated the present costs of working of the electrified main line system at 59.39 lacs of rupees. They believe that had steam services been in existence the working expense of such services would have been 81.83 lacs. The savings that may therefore be considered to have been realised as a result of electrification are thus nearly $22\frac{1}{2}$ lacs of rupees. Compared to the estimates of the Electrical Engineers, these savings are roughly in proportion to the traffic that has actually run in 1930-31.

The savings are due to the reduction in the cost of fuel of over $12\frac{1}{2}$ lacs, savings in repairs of nearly 13 lacs, savings in charges for water, oil etc., of nearly 7 lacs and of shunting charges, traffic delays etc. of about 2 lakhs. The savings of 22.44 lakhs rendered possible by electric traction are equivalent to a return of 4.49 per cent. and the whole capital outlay of a little over 5 crores of rupees. This return would have been substantially higher had the estimated volume of traffic been realised and can surely be regarded as a satisfactory return

for a railway that has failed in recent years to yield a net return on capital outlay of anything more than 2 per cent.

The extension of the electrification of the North Eastern main line from Igatpuri to Manmad would turn out to be a good investment. This line contains some steep gradients, more than 7 miles of which average 1 in 145 and the maximum of which is 1 in 132. The traffic is comparatively dense. The electric power station at Kalyan is of sufficiently large capacity to supply the additional quantity of current that would be found necessary and the rate per unit of current generated in this power house is sufficiently attractive. The price of materials of all kinds are phenomenally low, money is comparatively cheap, and the financial results that appear to have been obtained from electrification are sufficiently encouraging for a further step to be taken. The Railway Board have always evinced great interest in the problem of electrification and if their experts find that an extension of the electrified services could be both financially and technically justified, it is not at all improbable that the present Main Line Services will in due course cover a longer length of route.

IMPERIAL BANK OF INDIA

Constituted under The Imperial Bank of India Act, 1920

AUTHORISED CAPITAL	...	Rs. 11,25,00,000
PAID-UP CAPITAL	...	5,62,50,000
RESERVE FUND	...	5,20,00,000
RESERVE LIABILITY OF SHAREHOLDERS	..	5,62,50,000

Local Head Offices:
CALCUTTA BOMBAY MADRAS

London Office:
25, OLD BROAD STREET, E. C. 2

BRANCHES:

Abbotabad	Cochin	Kaaur	Nellore
Abohar	Coimbatore	Khanawal (Pay Office)	Okara (Sub-Agency)
Agra	Colombo	(UNDER MULTAN)	(UNDER MONTGOMERY)
Akyab	Cuddalore	Khurja (Pay Office)	Ootacamund
Aligarh	Cuddapah	(UNDER BULANDSHAHR)	Park Street (Calcutta)
Allahabad	Dacca	Kosi Kalan (Pay Office)	Patna
Amhala Cantt.	Darbhanga	(UNDER MUTTRA)	Peshawar Cantt.
Amhala City	Darjeeling	Karachi	Peshawar City
Amritsar	Dehra Dun	Katni	Phullerwan (Pay Office)
Amroha (Pay Office)	Delhi	Khamgaon (Berar)	(UNDER SARGODHA)
(UNDER MORADABAD)	Deoband (Pay Office)	Khandwa	Purnea
Arifwala (Pay Office)	(UNDER MUZAFFARNAGAR)	Kumbakonam	Poona
(UNDER MONTGOMERY)	Dhanbad	Lahore	Poona City
Asansol	Dibrugarh	Lakhimpore (Pay Office)	Porbandar
Ahmedabad	Dhulia	(UNDER SITAPUR)	Palacole (Pay Office)
Ahmedabad City	Ratwah	Lucknow	(UNDER RAJAMUNDRY)
Ahmednagar	Ellore	Ludhiana	Quetta
Ajmer	Erode	Lyallpur	Rampur
Akola	Farrukhabad	Larkana	Ranegunge (Pay Office)
Amraoti	Ferozepore	Mandalay	(UNDER ABANSOL)
Adoni	Fysabad	Mandalay City (Pay Office)	Rangoon
Alleppey	Gadawara (Pay Office)	(UNDER MANDALAY)	Rawalpindi
Anraiya (Pay Office)	(UNDER JUBBULPORE)	Meerut	Rawalpindi City (Pay Office)
(UNDER ETAWAH)	Gaya	Mian Channu (Pay Office)	(UNDER RAWALPINDI)
Barilly	Ghaziabad (Pay Office)	(UNDER MULTAN)	Raipur
Bareilly	(UNDER DELHI)	Mirpurkhas (Pay Office)	Rajkot
Basti (Pay Office)	Gorakhpur	(UNDER HYDERABAD, SIND)	Rajshmundry
(UNDER GORAKHPUR)	Gujranwala	Moga (Pay Office)	Saharanpur
Belgaum (Pay Office)	Gadag (Pay Office)	(UNDER FERROZPORE)	Sargodha
(UNDER HUBLI)	(UNDER HUBLI)	Montgomery	Sargodha (Pay Office)
Benares	Godhra	Moradabad	(UNDER HUBLI)
Benares City (Pay Office)	Gonda (Pay Office)	Moulmein	Shillong
(UNDER BENARES)	(UNDER GORAKHPUR)	Muktsar (Pay Office)	Sialkot
Bettiah	Gulmarg (Pay Office)	(UNDER FERROZPORE)	Simla
(UNDER MUZAFFERPUR)	(UNDER SHINAGAR)	Multan	Sitapur
Bhagalpur	Gwalior	Murree	Sandhurst Road (Bombay)
Bijapur (Pay Office)	Guntur	Mussorie	Secunderabad
(UNDER BHOLAPUR)	Hafizabad (Pay Office)	Muttra	Sholapur
Bulandshahr	(UNDER LYALLPUR)	Muzaffarnagar	Srinagar (Kashmir)
Bursa Bazar (Calcutta)	Hapur (Sub-Agency)	Muzaffarpur	Sukkur
Bhopal	(UNDER MEKRUT)	Myingyan	Surat
Broach	Hathras	Mymensingh	Salem
Bycnilla (Bombay)	Howrah	Mandvi (Bombay)	Tollicherry
Bangalore	Hubli	Madura	Tando Adam (Pay Office)
Bellary	Hyderabad (Deccan)	Mangalore	(UNDER HYDERABAD, SIND)
Borhamptore (Ganjam)	Hyderabad (Sind)	Masulipatam	Tinnevely
Bewade	Indore	Mount Road (Madras)	Tirupur
Cawnpore	Jalpaiguri	Nani Tal	Trichinopoly
Cawnpore City (Pay Office)	Jamshedpur	Narsaungunge	Trichur
(UNDER CAWNPORE)	Jaranwala (Pay Office)	New Delhi	Trivandrum
Chandpur (Tipperah)	(UNDER LYALLPUR)	Nowshera	Tuticorin
Chapra	Jhansi	Nadiad	Ujjain
Chandauli (Pay Office)	Jullundar	Nagpur	Vellore
(UNDER MORADABAD)	Jaipur	Nanded	Visagapatam
Chittagong	Jalgaon	Nasik	Vizianagram
Clive Street (Calcutta)	Jodhpur	Nandyal	Wardha (C.F.)
Cuttack	Jubbulpore	Negapatam	Yeotmal
Calicut			
Cocanada			

District Manager's Offices at Cawnpore, Lahore and Rangoon.

Current Accounts—Opened free of charge. Fixed Deposits—Received at interest.

Savings Bank—Deposits received and interest allowed.

Government and other Securities—Received for safe custody, purchases and sales effected, Interest and Dividends collected and credited to account or remitted in accordance with instructions.

The purchase and sale of Government Securities undertaken at all Branches for the Public generally.

Loans and Cash Credits—Granted, and approved Mercantile Bills discounted.

Sterling and Rupee Letters of Credits Issued.

Administration of estates for any purpose, whether as an Executor, Trustee or otherwise undertaken, also preparation of Income-Tax and Super-Tax Returns and Claims for refund of Income-Tax on behalf of constituents in India and London.

Rates, Copies of Rules, Powers of Attorney, etc., may be had on application at any of the Local Head Offices or Branches of the Bank.

BANKING SECTION:

BANKING IN INDIA 1934-35

1934-35 has been in many ways a better year for banking than its predecessor. It has been marked by easier working, better profits and appreciation in the prices of bank shares. This is hardly surprising, as banks have not only witnessed improvements in the general financial situation, but have also had a background of considerably better trade conditions. There has been, in the first place, an appreciable increase both in internal and foreign trade. Though rural India may hardly be said to have recovered from the effects of the depression, agricultural prices being still low, business in the cities and in the urban areas has been more active. There is first the expansion in the foreign trade of India. Exports of merchandise increased from Rs. 149 crores in 1934-35 to Rs. 168 crores in 1934-35. Imports also rose from Rs. 115 crores to Rs. 144 crores. Exports of gold, which have been the chief sustenance of the exchange market, were practically unchanged at Rs. 56 crores; but there was a new addition in the shape of a net export of silver to the extent of Rs. 2 crores. A substantial improvement in internal trade was also experienced, railways carrying an increased volume of agricultural commodities. Industrial production had, on the whole, an upward trend. The chief markets were more active, and the improvements cited above mark a welcome relief from the dreary conditions that characterised the earlier years of the depression.

But the chief source of strength to banking during the year under review was the phenomenal improvement that occurred in the giltedge market. It was somewhat of a handicap that money rates were at a steady low level throughout the year, the bank rate remaining unchanged at $3\frac{1}{2}$ per cent. Banks were at a loss to utilise their surplus funds. The volume of the Government's floating debt was considerably reduced and the rate of yield on such Treasury Bills as were issued were also on the low side. The year began with a

rate of Rs. 2-5-7 per cent. which went up to Rs. 2-8 per cent. at the end of April, but from then there was a gradual decline to as low a rate as as. 12-4 in the middle of July. An upward tendency was manifest thereafter; but at the close of the year the Treasury Bills rate was no better than Rs. 1-15-11.

As a relief from a position in which investment was so difficult, there was the giltedge market which offered scope for banks. The buoyant state of the market induced a lot of speculative activity, the financing of which was a remunerative business for banks. What is even more important is the rise in the price of gilt-edge securities enabling most banks to realise a good value on the appreciation of their holdings on Government securities. It also enabled them to release the funds which had been provided in the past against depreciation in giltedge securities. It may be mentioned here that at the close of the year 1934, the time at which most banks close their accounts, there was a regular boom in the giltedge market, $3\frac{1}{2}$ per cent. paper going up to as much as Rs. 98 against Rs. 88 in March, 1934.

Banks took the fullest advantage of the improvement in giltedge and this was duly reflected in the profits as well as the values of bank shares. An analysis of the prices of important bank scrips in India would show that the public are regaining confidence in bank shares. The rise is remarkable with regard to the joint stock banks.

	28-3-34			28-3-35		
	Rs.	A.	P.	Rs.	A.	P.
Imperial Bank	1,270	0	0	1,530	0	0
Bank of India	105	0	0	121	0	0
Chartered Bank	23	10	0	35	8	0
	£			£		
Chartered Bank	16	2	6	14	15	0
National Bank	50	10	0	43	2	6

The appreciation in joint-stock bank shares is remarkable. The rise in the

Central Bank of India shares is higher than that of any other bank. It was quoted at Rs. 23-10-0 in March, 1934, and at the end of March, 1935, at Rs. 35-8-0. The profits of the bank for the year ended December, 1933, were Rs. 14,69,000, whereas for the year ended December, 1934, they were Rs. 23,85,000. The profits of the Imperial Bank also have increased from Rs. 75,12,000 to Rs. 85,28,000. Though they are not back to the level of 1932, which has not been possible owing to the reduction in the bank rate from 4 to $3\frac{1}{2}$ per cent. in May 1933, the rise has been considerable. Consequently, the price of the shares (fully paid-up) have increased from Rs. 1,270 to Rs. 1,530. Bank of India shows a profit of Rs. 17,56,000 for the year ended 1934 against Rs. 13,52,000 for the corresponding period in the previous year.

The exchange bank shares might seem to have declined; but it is not any way indicative of a decrease in profits. In the case of the Chartered Bank of India, the profits have been a little less than moral Hongkong Shanghai Corporation has recorded a decrease in profits and this was mainly due to difficult exchange operations. In the case of the National Bank of India, though the increase in profits has been greater than that in 1933, the dividend has been reduced to 18 per cent., mostly as a measure of caution. There have been greater allocations to funds and the carry forward is maintained at the same level. With the reduction in dividend, there has been a corresponding diminution in the price, but the yield per cent. is at the same level. The other exchange banks have fared well. The Eastern Bank has declared a bonus of 3 sh. per share as marking the end of a successful career of 25 years of banking. Lloyds Bank shows a great increase over last year's profits.

As mentioned already, banks in rural areas continued to experience the difficulties of earlier years. In South India particularly, confidence in indigenous banks was shaken; and at one stage it looked as though a crisis would develop. But happily the disturbances passed off. But this led to a general movement of conver-

sion of private banks into limited joint stock banks. It is generally believed that this movement has gone too far and has resulted in the growth of a number of small institutions, which in the increasingly competitive conditions would be unable to operate profitably. It is to be hoped that, just as South India has adapted itself to the requirements of joint stock banking, it will also pay heed to the necessity of amalgamating a number of small institutions, so that there would be more economic working and less competition.

Co-operative banking cannot be said to have yet turned the corner. The reports of the co-operative departments do not give evidence of any improvement in the experience of co-operative banks in regard to the return of advances. It is, indeed, idle to expect that an improvement in this regard will occur so soon after the first faint signs of recovery in agricultural prices. A fairer test of the efficiency of co-operative movement is carrying out the process of weeding out the inefficient and defunct institutions and generally improving the quality of its membership. In this regard nearly all the more important provinces are able to report encouraging results. There can be no doubt that, if this movement progresses and gains in strength, it would surely offset the setback that might have been caused by the years of depression.

Taking all in all, 1934-35 must be pronounced to be a good year for banking in India. At any rate, it may be said that it will not pose any insoluble problems for the new Reserve Bank of India in the initial stages of its working. For, it must be remembered that 1934-35 marks the period of un-coordinated banking in India and that at its close the Reserve Bank was duly inaugurated. This is hardly the place to go into the tasks before the Reserve Bank and the manner in which the new institution might tackle and solve its problems. But one might well press the hope that the Reserve Bank will apply itself to the task of studying the problems to the best of its ability and to put Indian banking and with it the entire national economy on the high-road to efficient prosperity.

BANKING SECTION :

REVIEWS OF BALANCE SHEETS

(OF THE MORE IMPORTANT BANKS DOING BUSINESS IN INDIA)

THE IMPERIAL BANK OF INDIA

The Imperial Bank of India was constituted in 1920 by the amalgamation of the three presidency banks and commenced business in January 1921. Since the inauguration of the Reserve Bank the bank is no more the Government's bank in the sense as it was before, but it still continues to get support from the Government. Combined with this and the advantage of being the leading joint stock bank in India, the profits of the bank should as it is widened its range of activity and also entered into exchange banking.

Profits for the year 1934 were Rs. 85,28,265 against Rs. 75,12,171 the previous year. The dividend has been maintained at 12 per cent.

(In Rupees—000's omitted)

	1932	1933	1934
Liabilities—			
Capital ...	5,62,50	5,62,50	5,62,50
Reserve ...	5,17,50	5,22,50	5,35,00
Public Deposits ...	7,06,95	6,44,11	6,72,20
Current, Fixed and other Deposits ...	68,36,35	74,12,77	74,27,95
Sundries ...	85,10	88,17	89,48
Total	Rs. 87,08,40	92,30,05	92,91,13
Assets—			
Cash ...	20,97,00	18,59,76	18,97,38
Balances with other banks ...	9,56	17,00	5,25
Investments ...	32,03,63	47,02,96	41,55,70
Bills Discounted and Purchased ...	1,96,67	2,03,08	2,59,32
Loans and Advances ...	28,63,45	29,95,56	26,42,44
Dead Stock ...	2,61,10	2,53,95	2,45,90
Sundries ...	76,99	97,74	85,13
Total	Rs. 87,08,40	92,30,05	92,91,13

	1932	1933	1934
Percentage of total Capital and Reserve to total Deposits ...	14.3	13.5	13.5
Percentage of total Liquid Assets to Deposits ...	73.0	84.2	78.0

Profit and Loss Items—

Brought Forward	14,05	25,46	26,86
Profits ...	97,93	75,12	85,28
Dividend Distribution ...	67,50	67,50	67,50
Allocation to funds	19,02	6,22	13,99
Carried Forward ...	25,46	26,86	30,65
Dividend Rate per cent. ...	12	12	12

Indian Joint Stock Banks :

THE ALLAHABAD BANK, LTD.

The Allahabad Bank is one of the oldest of Indian joint stock banks, established in the year 1865. Its original Head Office was Allahabad but since its affiliation to the P. & O. Banking Corporation about 10 years ago, its registered office has been transferred to Calcutta. Though affiliated to the P. & O. Bank, it has maintained its entity intact and continued loyal to the the beginning built up. The Allahabad Bank has devoted special attention to branch banking and finance of produce. Its branches are spread practically throughout the United Provinces and a good part of the Punjab. The bank has also branches at other important centres like Bombay, Rangoon, Karachi, Nagpur, etc. In the yield of produce finance, it did considerable pioneer work; and though new entrants into the field seek to cut into its business, the facilities which the Allahabad Bank has always offered, and is ever in a position to offer, should retain for it, its own clients and connections and business.

The profits for the year ending 31st March, 1934 show an increase of Rs 24

SIND PROVINCIAL CO-OPERATIVE BANK, LTD.

Head Office :—K A R A C H I

Local Branches :—CAMP and GHARIKHATTA

BRANCHES :

HYDERABAD (SIND)	MIRPURKHAS (SIND)
NAWABSHAH "	LARKANA "
SUKKUR (SIND)	

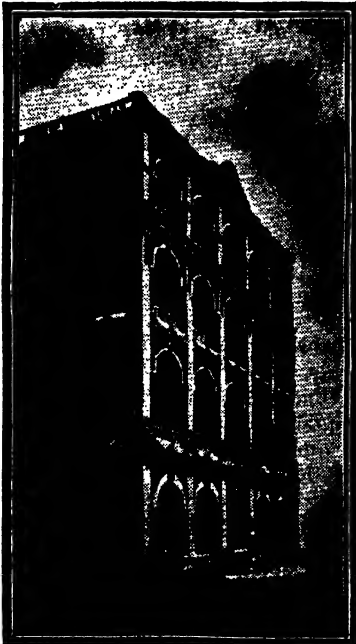
Agencies Throughout India

Paid-up Capital	-	-	-	Rs.	8,75,000
Reserves	-	-	-	"	5,75,000
Working Capital	-	-	-	"	1,25,00,000

EVERY KIND OF BANKING BUSINESS TRANSACTED

D. P. DASTUR,
General Manager

JAMSHED NUSSERWANJI MEHTA,
Chairman



BANK OF HINDUSTAN, LD.

Head Office : MADRAS

Local Sub-Office : TRIPPLICANE

Branches : BEZWADA, CALICUT, COIMBATORE, MADURA AND TIRUPPUR.

Sub-Offices : POLLACHI AND TELLICHERRY.

Called and Paid-up Capital Rs. 10,00,000/-

DEPOSITS :—Current, Savings, Fixed Deposits and Time Deposits accepted at all Offices of the Bank.

LOANS, OVERDRAFTS AND CASH CREDITS are granted by the Bank against approved securities.

PURCHASE AND SALE OF GOVERNMENT SECURITIES AND STOCK AND SHARES undertaken for Constituents.

ALL KINDS OF BANKING BUSINESS UNDERTAKEN.

Enquiries Invited

DIRECTORS :

M. JAMAL MAHOMED SAHEB BAHADUR, Esq., of Messrs. M. Jamal Moldeen Saib & Co., Madras.

M. R. Ry. K. NAGESWARA RAO PANTULU GARU, M.L.A., Proprietor, "Amrutanjan Depot" and "Andhra Patrika."

M. R. Ry. T. R. VENKATARAMA SASTRIAR AVL., B.A., B.L., C.I.E., Ex-Advocate General, Madras,

M. R. Ry. DEWAN BAHADUR M. BALASUNDARAM NAIDU GARU, Merchant, Ex-Sheriff of Madras.

NARACASHERRY S. KRISHNAN, Esq., Merchant, Calicut.

PANDIT VIDYA SAGAR PANDYA, Managing Director, Kilpauk, Madras.

thousands and dividend has been maintained at 18 per cent. per annum. The Bank's year closes as at March 31.

(In Rupees—000's omitted).

Liabilities—	1932	1933	1934
Reserves ...	44,50	44,50	44,50
Total of Capital and Reserves ...	80,00	80,00	80,00
Current Deposits ...	2,29,32	2,45,22	2,37,93
Fixed and other Deposits ...	8,52,27	7,79,91	7,73,62
Total Deposits ...	10,81,59	10,25,13	10,11,55
Assets—			
	1932	1933	1934
Cash ...	1,23,44	1,38,81	1,65,76
Giltedge investments ...	5,82,84	4,86,83	3,55,53
Loans, Bills Discounted and Promises ...	99,06	86,69	81,67
Cash Credits and overdrafts ...	3,25,79	3,65,13	4,66,18
Percentage of Capital and Reserve to total Deposits	7.4	7.8	7.9
Percentage of total Cash to total Deposits	11.4	13.2	15.9
Profit and Loss Items—			
Brought forward ...	3,69	4,85	4,91
Profits ...	5,75	5,91	6,15
Dividend distribution ...	4,59	4,59	4,59
Carried forward ...	4,85	4,91	4,98
Dividend Rate per cent. ...	18	18	18

THE BANK OF BARODA.

The Bank of Baroda was started during the closing years of the first decade of this century under the patronage of, and largely supported by, the Government of H. H. the Maharaja, Gaekwar of Baroda. The Chairman of the bank is Sir Lalubhai Samaldas, Kt., C.I.E.; and the General Manager at the Head Office is Mr. W. G. Groundwater. The bank has 16 branches of which a good number are situated in Baroda State. The bank is entrusted with the State's Treasury work. It has also branches at important centres like Bombay, Ahmedabad, Surat, etc. The paid up capital of the bank is Rs. 30 lakhs. The deposits of the bank have risen by about Rs. 89.4 lakhs as compared with the deposits of the previous year. Profits have risen by half a lakh and the usual dividend of 10 per cent. has been paid. The percentage of total liquid assets to deposit liabilities is lowered to 68.3.

(In Rupees—000's omitted)

	1932	1933	1934
Liabilities—			
Capital ...	30,00	30,00	30,00
Reserve Fund ...	20,00	20,75	21,50
Providend Fund ...	3,95	4,41	4,78
Deposits ...	7,32,76	5,39,22	6,28,63
Due to Branches	1,40	1,58	1,77
Profit & Loss A/c.	3,15	3,06	3,53
Other Items ...	21	20	24
Assets—			
Cash	92,35	73,55	97,86
Investment	4,79,95	3,37,62	3,31,85
Loans and Advances ...	1,99,26	1,65,74	2,36,65
Due by Branches	99	46	1,68
Properties etc. ...	18,92	21,85	22,41
Total Rs. ...	7,91,47	5,99,22	6,90,45
Percentage of Capital and Reserves to Total Deposits	6.8	9.4	8.2
Percentage of Total Liquid Assets to Total Deposits	78.1	76.3	68.3
Profit and Loss Items—			
Brought Forward	59	60	56
Net Profits ...	4,06	3,96	4,47
Dividend Distribution ...	3,00	3,00	3,00
Allocation to funds	75	75	100
Bonus to staff ...	30	25	25
Carried Forward	60	56	78
Dividend Rate Per cent. ...	10	10	10

BANK OF HINDSTHAN, LTD.

The Bank was started in July 1929 with an authorised capital of Rs. 25,00,000/- and called and paid up capital of Rs. 10,00,000/- in shares of Rs. 100/- each and Rs. 50/- paid up. It has got a powerful and influential Directorate. Soon after a year its deposits rose to Rs. 18,15,000/-. At present the total deposits stand at Rs. 29,29,500/-. The investments also show a steady increase. The object of the Bank is only to improve the indigenous Banking on modern lines in all its Branches, including Trustee and Executorship business. It is under the direct supervision of Pandit Vidya Sagar Pandya, who has long practical Banking experience in India and England. The Bank has got a safe and conservative investment policy, as can be seen from the condensed Balance Sheet of the Bank. The Bank has got 8 Branches in the Madras Presidency.

THE BANK OF INDIA, LD.

ESTABLISHED 7th SEPTEMBER, 1905.

CAPITAL SUBSCRIBED	...	...	Rs. 2,00,00,000
CAPITAL PAID UP	...	...	Rs. 1,00,00,000
RESERVE FUND	...	...	Rs. 1,02,50,000

Head Office:—ORIENTAL BUILDINGS, BOMBAY.

BRANCHES:—BULLION EXCHANGE (SHAIKH MEMON ST., BOMBAY), BANDRA NEAR BOMBAY, M HILL, AHMEDABAD, AHMEDABAD (STATION BRANCH), CALCUTTA, BARA BAZAR, CALCUTTA, POONA, POONA CITY, RAJKOT, SURAT, NAGPUR CITY.

LONDON Agents:—THE WESTMINSTER BANK, LD.

DIRECTORS:

Mr. Ambalal Sarabhai, *Chairman*.
Sir Chunilal V. Mehta, K.C.S.I., *Vice-Chairman*.
Sir. Joseph Kay, Kt.
Mr. A. Geddis.

Mr. Paliram Mathradas
Sir Cowasjee Jehangir, Baronet, K.C.I.E., O.B.E.
Mr. Dinshaw K. Daji.

Current Deposit Accounts—Interest allowed on daily balance @ 1%. No interest will be allowed which does not amount to Rs. 5 per half-year.

Fixed Deposits—Deposits are received fixed for one year or for shorter periods at rates of interest which can be ascertained on application.

Savings Bank—Accounts opened on favourable terms. Rules on application.

The Bank undertakes Executor and Trustee Business—Rules may be obtained on application.

General Banking Business—Transacted, rules for which can be obtained upon application.

Calcutta Branch:—9, CLIVE STREET.

V. W. B. CHURCH, AGENT.

A. G. GRAY,

Manager.

THE BANK OF MYSORE, LTD.

(Bankers to the Government of H. H. The Maharaja of Mysore)

Authorised Capital	...	...	Rs. 20,00,000
Subscribed and Paid-up	...	...	Rs. 20,00,000
Reserve Funds	...	...	Rs. 23,25,000

Head Office :

AVENUE ROAD, BANGALORE CITY

Branches :

Arsikere	Chickmagalur	C. & M. Station	Harihar	Mysore	Shimoga
Channarayana	Chintamani	(Bangalore)	Hassan	Oorgaum	Tiptur
Chickballapur	Chitaldroog	Davangere	Kolar	Sagar	Tumkur

London Agents:

THE EASTERN BANK, LTD.

Chairman of the Board of Directors :

Sir K. P. PUTTANNA CHETTY, Kt., C.I.E.

CURRENT ACCOUNTS opened and interest allowed at 1% per annum up to Rs. 10,000.

LOANS and CASH CREDITS are granted on approved securities.

FIXED DEPOSITS for Six and Twelve months received at rates which may be ascertained on application.

THRIFT DEPOSIT ACCOUNTS are opened and interest allowed at 8% per annum up to Rs 2,500.

Banking Business of every description transacted on terms which may be ascertained on application.

P. W. O'Brien,

Manager.

(In Rupees—000's omitted)

	Dec. 1933.	Dec. 1934.	June 1935.
Liabilities—			
Capital ...	10,00	10,00	10,00
Reserve for Bad and Doubtful Debts ...	20	20	22
Deposits ...	25,41	30,45	22,29
Bills for Collection ...	58	58	98
Profit and Loss Account	46	62	...
Other items ...	38	52	64
Total Rs.	37,03	42,37	41,13
Assets—			
Cash ...	7,15	12,00	5,11
Investments ...	5,64	2,93	2,93
Loans and Advances	22,64	25,54	31,15
Preliminary Expenses	20	15	10
Safes, Furniture and Fittings ...	33	33	51
Bills for Collection	58	58	97
Other items ...	49	84	36
Total Rs.	37,03	42,37	41,13
Percentage of Cash to Deposits ...	28.1	39.4	17.5
Profit and Loss Items—			
Brought Forward ...	22	9	
Net Profits ...	41	53	
Dividend Distribution	30	30	
Allocations ...	5	26	
Carried Forward ...	11	6	
Dividend Rate per cent. ...	3	3	

(In Rupees—000's omitted.)

	1932	1933	1934
Liabilities—			
Capital ...	1,00,00	1,00,00	1,00,00
Reserve Funds ...	1,01,50	1,01,50	1,01,50
Deposits ...	15,07,65	14,49,82	14,65,19
Profit & Loss Account	9,75	10,68	14,97
Other item ...	2,91	1,41	6,29
Total Rs.	17,21,81	16,63,41	16,87,95
Assets—			
Cash ...	2,27,23	2,44,78	1,86,46
Investments ...	8,53,05	8,26,02	7,26,10
Loans & Advances	6,31,77	5,79,78	7,85,16
Property etc. ...	9,76	12,83	10,23
Total Rs.	17,21,81	16,63,41	16,87,95
Percentage of Total Capital and Reserves to Total Deposits	13.4	13.9	13.8
Percentage of Cash to Total Deposits	15.1	16.9	11.4
Percentage of Total Liquid assets to Total Deposits	71	73	61
Profit and Loss Items—			
Brought Forward	3,39	3,41	4,32
Net Profits	12,36	13,52	17,65
Dividend Distribution	11,00	10,00	10,00
Allocation to Funds ...	...	1,00	4,00
Carried Forward	3,41	4,32	5,21
Dividend Rate per cent. 11	10	10	10

BANK OF MYSORE.

The Bank of Mysore was started in 1913. Its progress has been steady and satisfactory. The paid up capital is Rs. 20 lakhs; and the reserve fund has been increased by 1½ lakhs. The further increase of 2¼ lakhs is due to the Building fund being included in it. The Bank has maintained deposits roundabout Rs. 2 crores. In 1930 there was a considerable increase in deposits which touched Rs. 2.31 crores. In 1932 however, there was a fall; and the figure was Rs. 1.94 crores. The deposits have further decreased by a few thousands. The intrinsic position of the Bank, judged by every criterion, is growing stronger each year. The management is in the hands of Mr. P. W. O'Brien.

Not profits show an increase of 10.3 per cent. which compares very favourably with the increase of only 4.4 per cent. for the previous year. Dividend has been maintained at 12 per cent. while the bonus has been increased to Rs. 2 per share. A further addition of one lakh to the reserve is proposed.

THE BANK OF INDIA, LTD.

The Bank of India, registered in 1906, is by far the most comfortably situated amongst Indian banks. Its Balance Sheet is neat and natty; and its business is of the soundest description. The Directors have never sought to achieve anything sensational and have ever been content with slow progress so long as it is steady. The Bank of India has a most illustrious and influential Board of Directors, with Mr. Ambalal Sarabhai as Chairman. The Manager is Mr. A. G. Gray. A sum of Rs. 7½ lakhs was transferred from profits for writing down Government securities and the uncovered deficit on short-term Government Bonds was as low as Rs. 15 lakhs. With the appreciation in Government securities in 1932 it was found possible to transfer the Rs. 7½ lakhs to the general reserve fund. A further sum of Rs. 50,000 was transferred from Reserve for contingencies to the Reserve Fund, thus bringing it to the figure of Rs. 1 crore. The dividend has been maintained at 10 per cent.

(In Rupees—000's omitted)

	1932	1933	1934
Liabilities—			
Reserve Fund ...	17,50	18,75	22,25
Building Fund ...	2,25	2,25	...
Deposits ...	2,18,08	1,93,79	1,93,66
Staff Provident Fund ...	2,29	2,63	3,01
Unclaimed Dividends ...	26	17	15
Profit and Loss Account ...	3,35	3,25	3,35
Total Rs. ...	2,63,73	2,40,84	2,42,42
Assets—			
Cash ...	27,84	28,22	26,69
Investments ...	97,22	65,68	68,50
Bills Discounted and Purchased ...	5,61	5,31	5,30
Loans and Advances ...	1,28,30	1,37,36	1,37,99
Properties ...	4,76	4,27	3,94
Total Rs. ...	2,63,73	2,40,84	2,42,42
Percentage of Capital and Reserve to Total Deposits	17.2	20.0	21.8
Percentage of Total Liquid Assets to Total Deposits ...	57.6	51.2	51.9
Percentage of Cash to Total Deposits	12.8	14.6	13.8
Profit and Loss Items—			
Brought Forward	30	51	35
Net Profits ...	4,25	4,44	4,90
Dividend Distribution ...	2,60	2,60	2,80
Allocation to Funds	1,25	1,75	1,50
Staff Bonus ...	19	20	20
Carried Forward ...	51	40	75
Dividend Rate per cent. ...	12	12	12
Bonus per Share ...	1	1	2

THE CENTRAL BANK OF INDIA, LTD.

The Central Bank of India was started in 1911 mainly due to the efforts, enthusiasm and organising skill of Mr. S. N. Pochkhana-wala. The latter was fortunate in securing Sir Pherozshah Mehta as the first Chairman of the Bank. Equally lucky was he in having as his lieutenant Mr. A. S. Balsekar who has, in a large measure, shared all the stress and strain of this institution in the various stages of its growth. The capital of the Bank was increased, in successive stages, till early in the last decade it stood at Rs. 50 lakhs paid up. The amalgamation of the Tata Industrial Bank to itself brought up the capital to Rs. 1,68 lakhs, so that the Central Bank has been, since then, the largest institution amongst the India joint stock banks. Its deposit figures also were higher than those of the

others. In range of business, largeness of *clientele*, new and newer modes of service, the Central has always been in the forefront. An institution, so flourishing and so steadfastly marching onwards, has had, necessarily, its distractors and even un-reasoning critics. The Bank has come out successful in all the vexatious litigation to which some of its enemies have subjected it. This kind of persecution has meant the maintenance of an unduly large liquid position so as to be prepared for runs at any time. Excessive liquid assets mean lesser margin of profits. And runs mean disorganisation of normal business. The management of the Central Bank have had to contend against heaviest odds. Despite such difficulties, the progress of the Bank has been kept up. At all times, it has been ready and able to weather even the strongest storm. That it has stood up through good support and evil report and strengthened its position all the time, is a measure of its intrinsic vitality and its sound business methods; it also shows how much headier its growth would have been if it had been left to develop unharassed and unhampered. Giltedge had been an anxious feature, during the severe fall in their values in 1931 as the Central Bank had a large gilt-edge portfolio in view of the need for keeping a liquid position. But that period, it may be said, is over now and the Bank's position is appreciably strengthened. The total deposits of the Bank have increased by 2½ crores, and because of this the ratio of capital and Reserves to total Deposits has gone down by 1%. The portfolio of bills has increased by over 85 per cent. The Bank's profits increased in the year by over 9 lakhs, being over 62 per cent. The dividend has not been increased.

It is proposed to provide for doubtful debts to the extent of 12 lakhs (against nothing in the previous year. It is very pleasing to note that during the year 1934 the position of the bank has improved enormously.

(In Rupees—000's omitted)

	1932	1933	1934
Liabilities—			
Capital	1,68,13	1,68,13	1,68,13
Reserve and other funds ...	74,57	76,75	79,49
Deposits ...	20,11,52	22,22,82	24,47,26
Bills Payable ...	3,06	3,84	5,63
Due to Bankers ...	2,68	1,71	10,79
Branch adjustments	11,17	7,50	14,48
Acceptances for Customers ...	55,95	61,65	54,71
Bills for collection	36,41	38,69	55,70
Profit & Loss Account	8,60	10,70	10,21
Other items ...	3,22	2,47	2,02

Total Rs. 23,75,51 25,94,26 28,48,42

Assets—

Cash	...	2,45,15	4,01,80	4,82,39
Investments	...	13,11,45	12,96,81	12,39,92
Loans & Advances		6,07,90	6,75,71	8,81,07
Properties etc.,		1,18,55	1,19,60	1,34,63
Customers' Liability for Acceptances		55,95	61,65	54,71
Bills Receivable		36,41	38,69	55,70
Total Rs.		23,75,31	25,94,26	28,48,42

Profit and Loss Items—

Brought Forward		4,08	3,56	5,66
Net Profits	...	14,32	14,69	23,85
Dividend Distribution		10,09	10,09	10,09
Allocation to funds		1,75	2,00	2,00
Carried Forward		3,56	5,66	5,17
Dividend Rate %	...	6	6	6

COMILLA UNION BANK

The Comilla Union Bank was established in Comilla in 1922 and from a small beginning it now occupies the front rank among indigenous banks of Bengal. It has now 9 branches and according to its latest balance sheet the paid up Capital amounts to Rs. 2,46,230 and its Reserve Fund to Rs. 2,58,630. Total deposits of the Bank on that date was Rs. 39,77,487. Cash on hand and in current account with banks was Rs. 7,64,723 and holding of Government securities at or below market price was Rs. 6,09,491.

The Bank's liquid assets speak well of its conservative management and the steady strengthening of the Reserve Fund, which is more than the paid-up share capital shows that the management have followed a praiseworthy policy in bringing this Bank to its present happy position. The Bank has become scheduled to the Reserve Bank of India.

	Apl. 1933	Apl. 1934	Apl. 1935
Liabilities—			
Reserves ...	2,00,000	2,20,000	2,73,277
Deposits including Fixed, Current, Savings, Provi- dent, etc. ...	21,24,241	28,76,184	39,83,771
Profit and Loss A/c. ...	15,439	17,309	22,958
Other Items	83,269	1,38,068	2,04,761
Total	25,48,449	32,13,221	47,30,997

Assets—

Cash	...	39,192	2,23,378	7,64,723
Fixed Deposits with Banks		84,907	1,04,622	1,02,780
Investments		2,79,598	4,64,757	6,12,991
Loans	...	12,32,570	13,49,989	18,39,019
Cash credits and advances	...	7,69,538	8,66,290	9,01,823
Bills discounted and purchased		35,537	52,143	2,19,210
Other Items		1,07,107	1,52,042	2,90,451
Total		25,48,449	32,13,221	47,30,997

GRINDLAY & COMPANY, LTD.

(Incorporated in Great Britain)

Founded in 1828, as an agency for "facilitating passages to and from India," this firm had built up a prosperous business in London and India, which, through their position as bankers and agents for the Indian Army, brought them into contact with a large number of Government officials. For this reason, the Bank has enjoyed a special status and prestige.

Branches were opened at Calcutta in 1854, Bombay 1865, Simla 1923 and Delhi 1924. Since then branches have been opened at Lahore Cantt., Peshawar City, Peshawar Cantonment, New Delhi and Quetta.

In 1924, the whole of the share capital of the old banking business of Grindlay & Company Limited was purchased by the National Provincial Bank, one of the London "Big Five." At present, therefore, Messrs. Grindlay and Company represent the National Provincial Bank in India.

Sir Austin Low C. I. E., who was senior partner in the old partnership, has since been the Chairman of the Company. He is also a director of the National Provincial Bank.

That the Bank is owned by the National Provincial Bank is sufficient testimony to the soundness of the concern, apart from the fact that it has been rendering valuable service to officers and merchant firms and has long and valuable connexions in India.

THE COMILLA UNION BANK LIMITED

(SCHEDULED TO THE RESERVE BANK OF INDIA)

ESTABLISHED 1922.

Head Office—Comilla.

Branches: 10, Clive Street, Calcutta.

Phone No. Cal. 2017

DACCA
NARAYANGANJ
NITAIGANJ
CHANDPUR

PURANBZAAR
GAUHATI
CHITTAGONG
BAXIRHAT

Authorised Capital	Rs. 10,00,000
Paid-up Share Capital	„ 2,46,230
Reserve Fund	„ 2,58,630
Deposits	„ 39,77,448
(as at 13-4-1935)	

THE TRAVANCORE NATIONAL BANK LTD.

(Incorporated in Travancore 1912)

Head Office: ALLEPPEY

Member:

Reverse Bank of India.

Clearing Houses at Bombay and Madras,

Branches everywhere in South India and also one at Bombay at
25, CHURCH GATE STREET, FORT, BOMBAY.

CAPITAL— 1935 JUNE

AUTHORISED	...	...	Rs. 50,00,000
ISSUED AND SUBSCRIBED	...	...	„ 20,00,000
PAID UP	...	...	„ 7,50,000
RESERVE FUNDS	...	...	„ 2,50,000
TOTAL WORKING FUNDS OVER	...	...	„ 1,30,40,000

PROGRESS STATEMENT

Year	Paid-up Capital	Reserve Funds	Deposits	Investments in G. P. Notes	Cash	Total Working Capital
1932	4,22,000	2,00,000	36,69,000	4,30,000	5,86,000	58,18,000
1934	6,76,000	2,50,000	78,99,000	12,49,000	14,80,000	1,15,32,000

All kinds of Banking Business undertaken.
Please address Head Office or any of the Branches for further particulars.

K. C. EAPEN, B.A.,
Managing Director.

	1933	1934	1935
Liabilities—			
Reserve Fund ...	100	100	100
Current, Deposit and Other A/cs. ...	2,760	3,084	3,122
Liabilities for Acceptances, Endorsements, Engagements, etc. ...	122	154	153
Total £ ...	3,232	3,598	3,625

Assets—			
Cash, Notes, Balances and Cheques, money at call and short notice ...	368	374	358
Investments ...	1,577	1,928	1,851
Loans, Bills Discounted, etc. ...	1,081	1,088	1,209
Bank Premises ...	54	54	54
Liabilities for Acceptances, Endorsements, Engagements, etc. ...	122	154	153
Total £ ...	3,232	3,598	3,625

NATIONAL PROVINCIAL BANK, LD.

Analysis of Balance Sheets in thousands of £'s

	1932	1933	1934
	£	£	£
Liabilities—			
Capital ...	9,479	9,479	9,479
Reserve Fund ...	8,000	8,000	8,000
Current, Deposit and Other A/cs. ...	291,567	288,240	297,130
Acceptances Due to Subsidiary Companies ...	6,206	6,395	5,863
Undivided Profits ...	256	158	239
	775	857	878

Assets—			
Cash, Notes, Balances and Cheques ...	39,884	43,001	43,301
Money at call and notice ...	17,690	18,168	20,667
Investments ...	64,132	78,214	92,428
Bills Discounted ...	58,928	48,167	39,571
Advances ...	122,232	111,817	113,398
Bank Premises ...	7,211	7,367	7,362
Acceptances ...	6,206	6,395	5,863

THE INDIA BANK, LTD.

The founder of the Indian Bank was the late Mr. V. Krishnaswamy Iyer, no less renowned as a patriot and a Congress worker than as a judge of the High Court and a Member of the Executive Council of Madras. The bank was the recipient of considerable patronage of local depositors partly as a recoil from the Arbuthnot disaster and partly by its appeal to parochial patriotism. On the advice of Sir Lallubhai Samaldas, Mr. Vidyasagar Pandya

was appointed as the first Secretary and he served the bank in this capacity for more than two decades. The bank with its head office at Madras has 16 branches and sub-offices distributed throughout South India. Its subscribed capital is Rs. 48 lakhs while the paid up capital is about Rs. 13 lakhs. The reserve fund which was Rs. 9½ lakhs in 1929 has grown to Rs. 13 lakhs in 1934. A contingency fund of Rs. 2.25 lakhs is available for meeting any emergencies. Deposits are lower by a few thousands. Profits have increased by over Rs. 56,000 or over 15 per cent. The dividend has been maintained at 12 per cent. A bonus has been declared at the rate of 2 per cent. per annum. Rs. 1.30 lakhs are proposed to be placed to Dividend Equalisation Fund making it Rs. 1.80 lakhs. The carry forward Rs. 76,000 is better than last year's by nearly Rs. 20,000. The Bank's progress during the last three years has been very satisfactory.

(In Sterling—000's omitted)

	1932	1933	1934
Liabilities—			
Capital ...	12,79	12,79	12,79
Reserve and Contingent Funds ...	13,89	14,07	14,97
Deposits ...	1,99,21	2,26,47	2,20,02
Bills for Collection ...	2,87	4,17	3,74
Profit and Loss Account ...	1,58	3,28	4,02
Other items ...	2,08	1,81	2,68
Total Rs.	2,32,42	2,62,57	2,58,22

Assets—			
Cash ...	47,48	44,85	38,36
Investments ...	1,04,01	1,04,89	75,20
Loans, Advances, Bills discounted and Purchased etc. ...	71,45	1,01,88	1,38,59
Properties ...	1,70	1,70	1,60
Bills for Collection ...	2,87	4,16	3,74
Other items ...	4,91	5,09	73
Total Rs.	2,32,42	2,62,57	2,58,22

Percentage of Total Capital and Reserves to Total Deposits ...	13.4	11.9	12.6
Percentage of Cash to Total Deposits ...	23.8	19.8	17.4

Profit and Loss Items—			
Brought Forward ...	23	32	57
Net Profits ...	1,93	3,71	4,27
Dividend Distribution ...	1,54	1,54	1,79
Allocation to Funds ...	30	1,43	1,58
Carrier Forward ...	32	57	76
Dividend Rate per cent	9	12	14

THE TRAVANCORE NATIONAL BANK, LTD.

The Travancore National Bank Ltd., was incorporated in Travancore in 1921. The position of the Bank has been steadily improving. The profits for the year show an increase of over 10 per cent. A further sum of Rs. 30,000 is to be transferred to Reserve Fund. Paid up capital has been increased by 1.57 lakhs.

(In Rupees—000's omitted)

	1932	1933	1934
Liabilities—			
Capital	4,22	5,20	6,77
Reserve Funds	2,00	2,20	2,50
Deposits	36,70	58,33	79,00
Chitty Deposits	11,99	14,00	15,47
Bills for Collection	1,18	3,46	5,85
Due to Bankers	42	25	43
Profit and Loss Account	2	33	37
Other Items	1,65	2,25	4,94
Total Rs.	58,18	86,02	1,15,33

Assets—

Cash	5,87	8,38	14,80
Investments	4,30	10,46	12,49
Loans and Advances	27,79	41,28	57,14
Chitty advances	14,55	15,95	17,12
Properties etc.	1,90	2,47	3,33
Bills for Collection	1,18	3,46	5,85
Other Items	2,59	4,02	4,60
Total Rs.	58,18	86,02	1,15,33

Percentage of Total Capital and Reserves to Deposits	16.9	12.7	11.7
Percentage of Cash to Deposits	16.0	14.4	18.7

Profit and Loss Items—

Brought Forward	8	2	10
Net Profit	65	70	81
Dividend Distribution	46	42	54
Allocation to funds	25	20	30
Carried Forward	2	10	7
Dividend Rate Per cent.	10½		

THE UNION BANK OF INDIA, LTD.

The Union Bank of India was started in 1919; and the capital in the earlier years was Rs. 60 lakhs paid up. Since its inauguration, business conditions in Bombay, to which centre the Bank's activity is confined, have been so consistently and persistently bad that with all the competition offered by the numerous banks in the City, the Union Bank could not make any headway. The Bank was also unfortunate in

regard to some of its investments, and particularly regard to the building which it purchased for its office. In 1922-23, however, the Central Bank of India secured a controlling interest in the Union Bank by purchasing a considerable number of the shares of the latter, as a result of which the Central Bank was appointed as the Managing Agents. The result is that the Union Bank is the unique instance of a bank being managed by another bank as managing agent. Soon after the transfer of the management to the Central Bank, a reconstruction of capital was effected, so that the present position is that the paid up capital is Rs. 40 lakhs. Bad investments were provided for in the writing down of capital as well as the difference between the purchase price and the intrinsic value of the building. The Union Bank has not set before itself any high-sounding or ambitious programme but carries on a simple, straightforward business in a small but sure way. The Bank is in an eminently satisfactory position without any swollen assets or bad debts.

For the year ended 31st March 1935 the Bank has made a net profit of Rs. 2,60,683 as against Rs. 2,27,828. The improvement has been rather remarkable in view of the fact that it has gone through a period of low interest rates. The deposits have increased to Rs. 66,64,466 from Rs. 51,07,046 and loans etc. to Rs. 40,95,148 from Rs. 31,31,450. The cash position is also higher at Rs. 15,46,763 as against Rs. 10,26,920. The carry forward is Rs. 85,157 against Rs. 53,973 the previous year. The dividend is unchanged at 5 per cent.

The Account close on 31st March.

(In thousands of Rs.)

	1933.	1934.	1935.
Liabilities—			
Capital	39,95	39,95	39,95
Reserves	7,00	7,00	7,00
Deposits	58,40	51,07	66,64
Bills	52	11	54
Other Liabilities	1,36	1,01	102
Assets—			
Cash & Bullion	16,80	10,27	15,47
Investments	53,96	56,29	57,55
Loans	34,89	31,81	40,95
Bills	38	11	45
Property	3,96	3,86	3,75
Other items	7	13	10
Percentage of Capital and Reserves to Deposits	80.5	91.9	70.4
Percentage of Cash to Deposits	28.8	20.1	24.7

Profit and Loss Account—

By Balance	...	57	57	54
By Net Profit	...	2,28	2,29	2,61
To Dividend	...	1,99	1,99	1,99
To Balance	...	56	54	85
Dividend rate per cent.	...	5	5	5

Indian Co-operative Banks:

**THE BIHAR AND ORISSA PROVINCIAL CO-OPERATIVE BANK LTD.,
PATNA.**

The Bihar and Orissa Provincial Co-operative Bank has a satisfactory position as to the present and sturdy features of growth as to the future. The paid up capital of the Bank is Rs. 6.11 lakhs. The various reserve funds amount to Rs. 5.98 lakhs, besides which there is a security of Rs. 3.80 lakhs afforded by the uncalled liability of the Guarantee shares. Total deposits amount to Rs. 78.02 lakhs. On the liabilities side, loans and advances, inclusive of interest due, amount to Rs. 66.26 lakhs. Giltedge securities are Rs. 32.04 lakhs. Throughout the year the Bank had ample funds at its command.

The profits are higher at Rs. 1,42,7000 against Rs. 79,463 the previous year and carry forward at Rs. 14,151 against Rs. 1,603.

(In thousands of Rs.)

	1932.	1933.	1934.
Liabilities—			
Capital	...	5,96	6,09
Reserves	...	5,18	5,51
Total of Capital and Reserves	...	11,14	11,60
Fixed Deposits	...	52,46	53,27
Current and other Deposits	...	17,91	25,65
Total Deposits	...	70,37	78,92
Due to Bankers	...	54	1,69
Interest payable	...	2,06	2,53
Assets—			
Cash	...	35	42
Giltedge investments	...	24,38	31,77
Total of Liquid Assets	...	24,73	32,19
Loans and Advances	...	54,34	59,39
Interest Receivable	...	4,36	5,11
Percentage of Capital and Reserves to Total Deposits	...	15.8	14.7
Percentage of Total Liquid Assets to Total Deposits	...	35.1	40.8

THE CENTRAL PROVINCES & BERAR PROVINCIAL CO-OPERATIVE BANK LTD.

The Central Provinces and Berar Provincial Co-operative Bank Limited was established 23 years ago and has always continued a cautious policy of finance and sound banking. The Bank has made considerable headway in Inland Exchange business and hopes to show still better results with improved conditions of trade.

Account's close on 30th June.

(In thousands of Rs.)

	1932	1933	1934
Liabilities—			
Capital	5,84	5,71	5,62
Reserves	2,89	3,41	3,78
Deposits	92,21	1,05,96	1,16,12
Other items	5,82	3,65	5,07
Assets—			
Cash	13	1,52	76
Investments	72,99	80,12	90,74
Loans	25,05	27,70	29,28
Property	47	46	47
Other Items	8,12	8,92	9,35
Percentage of Capital and Reserves to Deposits	9.5	8.4	8.1
Percentage of Cash to Deposits	0.1	1.4	0.7
Profit and Loss Items—			
By Balance	2	1	1
By Net Profit	60	74	90
To Dividend	35	26	23
To Allocation	26	49	68
Dividend rate per cent.	6	4½	4

THE MADRAS PROVINCIAL CO-OPERATIVE BANK, LTD.

Head Office : Luz, Mylapore, Madras.

The Madras Provincial Co-operative Bank is, perhaps, the most puissant of the provincial central co-operative banks. The Bank has a Reserve Fund of Rs. 13.9 lakhs and a Depreciation Reserve Fund of Rs. 2.15 lakhs. The Madras Provincial Co-operative Bank has the unique good fortune of enjoying the goodwill of such clients as would normally place their deposits. It is, perforce, obliged to have considerable investment in Government securities, which amount to nearly Rs. 1.47 lakhs. Cash and fixed deposits with other banks amount to Rs. 29 lakhs. It will thus be seen that the liquid assets are Rs. 1.84 lakhs—an extraordinarily strong position for a co-operative bank. The Bank's profits for 1933-34 have gone up consider-

ALLAHABAD BANK LTD.

ESTABLISHED 1865.

Affiliated to

The P. and O. Banking Corporation Ltd.

AUTHORISED and Subscribed Capital	Rs. 40,00,000
CAPITAL called up	... .. „ 35,50,000
RESERVE FUND	... .. „ 44,50,000

Head Office :

CALCUTTA.

Branches and Sub-Agencies :

Agra.	Gorakhpur.	Moradabad.
Allahabad.	Hapur.	Mussoorie.
Allahabad City Office.	Hathras.	Muttra.
Amritsar.	Jhansi.	Nagpur.
Bareilly.	Jubbulpore.	Nagpur City.
Benares.	Lahore.	Naini Tal.
Bombay.	Lahore City Office.	Patna.
Cawnpore.	Lucknow.	Rai Bareli.
Cawnpore City Office.	Lucknow City Office.	Raipur.
Chandausi.	Aminabad Park	Shahjahanpur.
Dehra Dun.	(Lucknow).	Sikandarabad, U. P.
Delhi.	Lyallpur.	Sitapur.
Fyzabad.	Meerut.	

Pay Offices :

Aligarh.	Firozabad.	Moradabad City.
Auraiya.	Ghaziabad.	Muzaffarnagar.
Etawah.	Hardoi.	Ujhani.

London Bankers :

THE P. & O. BANKING CORPORATION LTD.

Correspondents in all the principal towns in India.

Banking business of every description transacted on terms which may be ascertained on application.

M. V. WILSON,
General Manager.

ably being nearly a lakh greater than those of the previous year. Its allocations towards depreciation are substantial. It is, perhaps, the only instance of an Indian bank which has fully met the provision for the depreciation on Government securities entirely out of the net profits. The Chairman of the Bank is Mr. Ramdas Pantulu, and the Secretary Mr. V. C. Rangaswami, whose great popularity with the influential sections of Madras is largely responsible for its prosperity. The Bank's accounting year ends with June, 30.

(In Rupees—000's omitted)

	1932	1933	1934
Liabilities—			
Capital ...	6,53	6,59	6,59
Reserves ...	10,88	13,50	17,25
Total of Capital and Reserves ...	17,41	20,09	23,84
Total Deposits, Current, Fixed, etc. ...	1,68,54	2,08,36	1,67,32
Assets—			
Cash ...	13,75	25,28	9,07
Giltedge Investment ...	1,30,90	1,89,48	1,72,04
Other Loans and Advances ...	4,67	12,90	11,44
Properties, etc. ...	1,72	3,38	2,39
Percentage of Capital and Reserves to Total Deposits ...	10.3	9.6	14.2
Loans to Central Banks ...	39,61	10,75	4,31
Percentage of Cash to Total Deposits ...	8.2	12.1	5.4
Profit and Loss Items—			
Brought forward ...	17	46	41
Profit ...	1,69	1,40	2,31
Dividend distribution ...	59	59	59
Allocation to Funds ...	76	81	1,65
Carried forward ...	46	41	42
Dividend Rate per cent. ...	9	9	9

British Banks:

THE CHARTERED BANK OF INDIA, AUSTRALIA AND CHINA.

Among the Eastern Exchange banks operating in India, the Chartered Bank of India, Australia and China is a premier institution, alike in the size of its capital and the extent of its banking resources. The bank was founded in 1853 and is one of the few banks which are at present operating under Royal charter. It has a widespread branch organisation in India, Dutch East Indies, China, Japan and Federated Malay States and has important offices in New York and Hamburg. It owns nearly 80 per cent. of

the capital of the P. & O. Banking Corporation and through it controls the Allahabad Bank.

In recent years, the bank has had to operate under particularly difficult conditions in India and the Far East. Judging from the figures in the Balance Sheet as on December 31, 1934 the position of the Bank seems to have been well maintained; the deposits are at the same level. Loans and bills are greater than last year. Cash and bullion have gone down and are at £7,845 thousands against £12,094 thousands. The profits are £466,043 against £467,467. The dividend has been maintained at 14 per cent.

(In Sterling—000's omitted)

	1932	1933	1934
Liabilities—			
Capital ...	3,000	3,000	3,000
Reserve Fund ...	3,000	3,000	3,000
Notes in Circulation ...	1,895	1,357	1,851
Deposits ...	43,633	46,606	46,548
Bills Payable ...	2,984	2,786	1,721
Acceptances for Customers ...	989	608	885
Loans Payable ...	2,386	2,051	3,671
Profit and Loss Account ...	394	441	462
Other items ...	543	499	518
Total £	58,724	60,298	61,651
Assets—			
Cash ...	8,431	12,094	7,846
Investments ...	15,656	17,188	17,360
Investment in P. & O. Bank shares ...	2,295	2,801	2,806
Bills ...	17,740	18,576	21,643
Loans and Bills Discounted ...	11,799	7,495	9,614
Property ...	1,376	1,523	1,574
Customers' liability for acceptances ...	989	608	805
Other items ...	488	563	428
Total £	58,724	60,298	61,651

Percentage of total capital and Reserves to Deposits ...	18.7	12.9	12.9
Percentage of Cash to Deposits ...	19.3	25.1	16.8

Profit and Loss Items—			
Brought Forward ...	149	184	206
Net Profits ...	455	467	466
Dividend Distribution ...	420	420	420
Allocation to Funds ...	...	25	75
Carried Forward ...	184	206	177
Dividend Rate per cent. ...	14	14	14

THE EASTERN BANK, LTD.*Head Office: 2 & 3, CROSSBY SQUARE,**LONDON, E.C. 3.*

The Eastern Bank was founded in 1909 and has established branches not only in India but in Mesopotamia, Singapore and Ceylon. The balance sheet of the Bank as on 31st December, 1934, shows an increase in deposits by more than £845 thousands and Investments by £1,019 thousands. On the other hand cash has decreased by £93 thousand. There has been an increase in profits by £4,000. The usual dividend of 6 per cent. was declared and a bonus of 3s. per share, in order to mark the 25th anniversary of the formation of the bank, was also declared.

(In sterling—000's omitted)

	1932	1933	1934
Liabilities—			
Capital ...	1,000	1,000	1,000
Reserve Fund ...	500	500	500
Deposits ...	6,007	5,605	6,450
Bills and Acceptances	1,805	1,227	1,998
Loans Payable against Bill and Securities	729	1,094	1,544
Profit and Loss Account ...	126	137	152
Other Liabilities ...	76	59	52
Total £	9,743	9,622	10,696

Assets—

Cash ...	1,335	1,258	1,165
Investments ...	4,861	4,582	5,600
Bills Receivable ...	696	605	653
Customers' Liability for acceptances ...	1,025	979	781
Loans and Advances	1,983	1,805	2,196
Property ...	190	190	190
Other assets ...	152	203	111
Total £	9,743	9,622	10,696

Percentage of Total Capital and Reserve to Deposits ...	25.0	26.8	28.8
Percentage of Cash to Deposits ...	22.2	22.4	18.1

Profit and Loss Account—

Brought Forward ...	84	41	52
Net Profits ...	122	126	180
Dividend Distribution	60	60	90
Allocations to Funds	55	55	40
Carried Forward ...	41	52	52
Dividend Rate per cent. ...	6		6½
†3s. bonus per share.			

LLOYDS BANK, LIMITED.*Head Office: 71, Lombard Street,**London, E. C. 3.*

Lloyds Bank, Ltd., is the only Bank among the Big Five of London to operate in India through direct branches. Amongst British Banks, Lloyds Bank is the second largest in England (apart from the Bank of England). It has 1,900 offices in England and Wales. The strength, influence, resources, connections and branches which Lloyds Bank has in Britain are the result of a series of fusions or amalgamations of a number of banking institutions. While the activity at home was thus broadened and strengthened, Lloyds Bank, has, at the same time, taken steps to develop its business in overseas centres. Through its affiliates, it has many branches in France, in centres like Brussels, Antwerp and Geneva, in Italy, South America, West Africa, New Zealand, Egypt, India and Burma. The Indian business (which was acquired through the purchase of Cox & Co.) is controlled by a special Eastern Department of the Bank in London. The Deposits for the year have increased by £7.5 millions. Profits have increased by over £200,000. £250,000 have been transferred to contingencies Account. £500,000 part of the £2,500,000, withdrawn in 1931 as a provision for depreciation in the Bank's Investments, has been restored to the Reserve Fund. The carry forward is bigger than last year at £515,230 as against £506,104.

	1932	1933	1934
Liabilities—			
Capital ...	15,810	15,810	15,810
Reserves ...	8,000	8,000	8,500
Total of Capital and Reserves ...	23,810	23,810	24,310
Deposits ...	382,108	364,554	372,140
Acceptances, Endorsements, Guarantees, etc. ...	81,979	42,641	46,221

Assets—

Cash ...	80,064	77,751	93,167
Investments ...	85,859	99,391	97,739
Bills of Exchange ...	76,788	56,887	47,215
Loans and Advances	141,196	132,966	136,302
Property, Acceptance Cover, etc. ...	50,914	60,105	64,869
Shares in Allied Banks	4,788	5,090	5,091
Percentage of Total Capital and Reserves to Deposits	6.2	6.5	6.5
Percentage of Cash to Deposits ...	20.9	21.3	22.5

Profit and Loss Items—

Brought forward ...	522	515	506
Profit ...	1,551	1,489	1,652
Dividend distribution	1,358	1,347	1,392
Allocation to Funds	200	100	250
Carried forward ...	515	506	515
Dividend Rate per cent.	a 12 b 5	a 12 b 5	a 12 b 5

a : on "A" shares.

b : on "B" shares.

THE MERCANTILE BANK OF INDIA, LTD.

The Mercantile Bank of India was registered in 1892 ; and it has had long and influential connections in India. In addition, the Bank has branches and agencies in Ceylon, Malaya, China, Siam and Mauritius. The Bank has rather had a successful year during 1934, when an all round increase in business was witnessed. Profits have been higher than the previous year the allocations to funds have been greater by £12,000 than last year. The Dividend has been maintained at 12 per cent. The financial position of the bank is being made more and more strong by the Cautions policy of the Directors. The accounts close on December.

(In Sterling—000's omitted)

	1932	1933	1934
Liabilities—			
Capital ...	1,050	1,050	1,050
Reserve Fund ...	1,075	1,075	1,075
Note in Circulation ...	162	104	155
Deposits (including Provision for Bad and Doubtful Debts)	13,035	12,248	12,974
Bills Payable ...	467	417	538
Acceptances for Customers	188	125	214
Loans payable against security ...	...	...	450
Profit and Loss Account	235	235	236
Other items ...	...	38	38
Total £	16,212	15,292	16,730

Assets—

Cash and Bullion	2,142	1,958	1,761
Deposits against note Issue	312	312	324
Investments	5,890	6,006	6,145
Bills Receivable	2,091	1,700	1,838
Bills Discounted	33	27	29
Loans and Advances	4,968	4,633	5,902
Banking Premises	369	359	351
Customers Liability for Acceptances	188	125	214
Other items	219	172	166
Total £	16,212	15,292	16,730

Percentage of Total Capital and Reserve to Deposits ...	16.3	17.3	16.4
Percentage of Cash to Deposits ...	16.4	16.0	13.6

Profit and Loss Items—

Brought Forward ...	168	172	172
Profits ...	180	162	173
Dividend Distribution ...	128	128	128
Allocation to Funds ...	50	35	47
Carried Forward ...	172	172	172
Dividend Rate per cent.	12	12	12

THE NATIONAL BANK OF INDIA, LTD.

The National Bank of India Limited, was originally founded in Calcutta as a Rupee company in 1863 but was soon after registered in England and converted into a sterling company. Its principal sphere of activity is in India but it has important business in East Africa, Kenya and Uganda. The accounts for the year ended 31st December, 1934, show a decrease in deposits of about £933,000. Loans and Advances have also decreased by about £290,000 and cash and bullion by about £604,000. Investments are lower at £14,631,944 against £15,374,149. Though there has been a considerable shrinkage in the total volume of business done, the balance sheet shows a high liquid condition the total cash, securities and Bills of exchange amounting to £22,981 thousands against a deposit liability of £28,703 thousands, the dividend for the year 1934 has been reduced to 18 per cent. even though the profit was higher than the previous year. £50,000 have been allocated to the officers Pension fund and £50,000 as against Nil to write off House Property account thus accounting for the reduction in dividend. The Accounts close on December.

(In sterling—000's omitted)

	1932.	1933.	1934.
liabilities—			
Capital ...	2,000	2,000	2,000
Reserve Fund ...	2,200	2,200	2,200
Deposits (including provision for Bad and Doubtful Debts and Contingencies) ...	30,118	29,686	28,708
Bills Payable ...	746	761	756
Acceptances for Customers ...	298	388	351
Profit and Loss	529	500	530
Total £	35,886	35,480	34,540

Assets—

Cash and Bullion ...	4,591	4,678	4,069
Investments ...	13,321	15,374	14,632
Bills of Exchange (including Treasury Bills) ...	5,897	3,553	4,220
Loans and Discounts ...	10,609	10,906	10,516
Customers' Liability for acceptances ...	298	383	351
Property and Furniture	670	691	692
Total £	35,886	35,480	34,540

NATIONAL BANK OF INDIA, LD.

(INCORPORATED IN THE UNITED KINGDOM)
(ESTABLISHED IN INDIA 1863)

Subscribed Capital	-	-	-	£4,000,000
Paid-up Capital	-	-	-	£2,000,000
Reserve Fund	-	-	-	£2,200,000

HEAD OFFICE:

26, BISHOPSGATE, LONDON, E. C. 2.

Branches:

INDIA.

CALCUTTA
BOMBAY
MADRAS
RARACHI
CHITTAGONG
AMRITSAR
CAWNPORE
DELHI
LAHORE
TUTICORIN
COCHIN

BURMA.

RANGOON
MANDALAY

CEYLON.

COLOMBO
KANDY
NEWARA-ELIYA

ARABIA

ADEN
STEAMER POINT,
ADEN

KENYA

COLONY

MOMBASA
NAIROBI
NAKURU
ELDORET
KISUMU

ZANZIBAR

TANGANYIKA TERRITORY

TANGA
DAR-ES-SALAAM

UGANDA.

ENTEBBE
KAMPALA
JINJA

CURRENT ACCOUNTS are opened and FIXED DEPOSITS are received on terms which may be ascertained on application.

The Bank issues LETTERS OF CREDIT and transacts GENERAL BANKING and EXCHANGE BUSINESS of every description with the principal commercial cities of the world.

The Bank's London Office undertakes to act as Trustee or Executor, prepares claims for recovery of British Income Tax overpaid and compiles Income Tax and Super Tax Returns for the purpose of assessment on terms which may be learned on application.

CALCUTTA OFFICE,
104, Clive Street.

T. T. K. ALJAN
Manager.

THE P. & O. BANKING

CORPORATION, LTD.

(INCORPORATED IN ENGLAND)

WITH WHICH IS AFFILIATED THE ALLAHABAD BANK, LTD.

Authorised Capital	...	...	£5,000,000
Subscribed Capital	...	...	£2,594,160
Paid-up Capital	...	...	£2,594,160
Reserve Fund	...	...	£180,000

HEAD OFFICE:

122, LEADENHALL ST., LONDON, E.C.3

WEST END BRANCH:

14-16, COCKSPUR ST., S.W.1.

BRANCHES:

CALCUTTA, BOMBAY, MADRAS, COLOMBO, CALCUT, SHANGHAI, SINGAPORE, HONGKONG

The P. & O. Bank can transact business on behalf of its constituents at all centres where Branches of the Allahabad Bank, Ltd., are established.

Current Accounts opened and Fixed Deposits received on terms which may be ascertained on application.

Savings Bank Deposit Accounts opened and interest allowed at 2½ per cent. per annum. Full Particulars on application.

British Income-Tax recovered.

Executorship and Trusteeship undertaken.

W. S. RYDE,

Manager.

1, FAIRLIE PLACE, CALCUTTA

Percentage of Total Capital and Reserves to Deposits ...	18.9	14.2	14.6
Percentage of Cash to Deposits ...	15.2	15.8	16.8
Profit and Loss Items—			
Brought Forward ...	279	249	250
Net Profits ...	450	451	460
Dividend Distribution ...	400	400	360
Allocation to Funds ...	80	50	100
Carried Forward ...	249	250	250
Dividend Rate per cent.	20	20	18

THE P. & O. BANKING CORPORATION, LTD.

Head Office: 117-122, LEADENHALL STREET,
LONDON, E. C. 3.

The P. & O. Banking Corporation was founded in 1920 and among the original allottees of shares in this Bank were the Westminster Bank, Lloyds Bank, the National Provincial Bank and the P. & O. Steam Navigation Co.

In spite of these the Bank has secured, for itself an important position among the Eastern Exchange banks. Towards the end of 1920, the Bank acquired practically all the ordinary capital of the Allahabad Bank, Limited, and through it, controls a prosperous inland banking business. In 1927, however, the P. & O. Bank, in its turn, was affiliated to the Chartered Bank of India, Australia and China. The deposits of the bank show an increase of nearly one million over that of the previous year. Profits show an increase of £1,000 and the dividends have been maintained.

(In Sterling—000's omitted)

	1932.	1933.	1934.
Liabilities—			
Capital ...	2,594	2,594	2,594
Reserve Fund ...	180	180	180
Deposits (including Provision for Bad and Doubtful Debts, Contingency Reserve etc.) ...	7,072	6,433	7,170
Loans Payable against Security ...	3,089	5,166	5,916
Acceptances, Endorsements, etc. ...	200	119	131
Bills Receivable for Collection ...	267	282	308
Profit and Loss Account ...	149	157	161
Other items ...	75	28	2
Total £	13,626	14,959	16,462

Assets—

Cash, Bullion and Money at Call and Short Notice	1,538	1,958	1,796
Bills Receivable	2,233	2,134	3,710
Investments	5,985	6,808	5,446
Loans and Advances ..	3,254	3,520	4,944
Property and Furniture ...	149	138	127
Liabilities of Customers for acceptances	200	119	131
Bills Receivable for Collection ...	267	282	308
Total £ ...	13,626	14,959	16,462

Ratio of total Capital and Reserves to deposits ...	39.2	43.1	38.7
Ratio of Total Cash and deposits ...	21.6	30.4	25.0

Profit and Loss Account—

Brought Forward ...	38	45	52
Net Profits ...	112	112	113
Dividend Distribution ...	105	105	105
Carried Forward ...	45	52	55
Dividend Rate per cent.	5	5	5

THOS. COOK & Son (Bankers), LTD.

Thos. Cook & Son (Bankers), Ltd., was formed a few years ago to take over the banking business from the travel organization of Thos. Cook and Son. The balance-sheet as at 31st October, 1934 shows that the high degree of liquidity which has been marked characteristic of its accounts in the past is fully maintained. The year 1934 has been better than 1933 and there has been an alround increase in business.

(In thousands of £)

	1933	1934
Liabilities—		
Reserve Fund ...	125	125
Current, Deposit and Other Accounts ...	2,905	3,183
Liability to Customers ...	15	14
Balance due to Subsidiary Companies ...	36	55
Percentage of Total Capital and Reserves to Deposits	8.6	9.8
Percentage of Total Cash to Deposits ...	74.0	9908

Assets—

Cash, Balances with Bankers, Money at Call etc. ...	2,148	2,535
Bills ...	341	164
Investments ...	494	571
Advances, Property Etc. ...	222	232

Foreign Banks:

THE AMERICAN EXPRESS CO., INC.

Home Office: NEW YORK.

The American Express Company, Inc., and the companies with which it is

INDO-COMMERCIAL BANK Ltd.

MAYAVARAM

Capital, Reserves, Etc. ... Rs. 10,12,506

BRANCHES :

MADRAS OFFICE :

107, ARMENIAN STREET

BAZAAR BRANCH :

260, CHINA BAZAAR ROAD

MADURA, KARAIKUDI, VIRUDHUNAGAR, TUTICORIN, KUMBAKONAM, TIRUVARUR, ERODE, VIZIANAGRAM, PUDUKOTTAH AND TINNEVELLY

SUB-OFFICES :

SHIYALI AND CHIDAMBARAM

All kinds of Banking Business undertaken on terms which may be ascertained on application.

**107, Armenian Street
G. T. MADRAS**

S. N. N. SANKARALINGA IYER
Managing Director

Prompt and Courteous Attention



Founded

in 1812

**This characterizes the service of the
Savings Account Department and every
other section in our Calcutta Branch.
Our endeavor is to make your visits
to this bank pleasant and time-saving.**

THE NATIONAL CITY BANK OF NEW YORK

No. 4, Clive Street

Calcutta

affiliated, offer an international service in three closely related fields—financial, shipping, and travel. This service is available at offices in the principal commercial and tourist centres of the globe and through approximately ten thousand banking, travel and shipping correspondents.

(In Dollars—000's omitted)

	1932.	1933.	1934.
Liabilities—			
Capital	6,000	6,000	6,000
Surplus and Undivided Profits	1,867	2,087	2,184
Reserves	1,719	1,996	871
Deposits	18,896	16,845	18,914
Cheques and Drafts not yet presented for Payment	1,480	2,072	3,717
Acceptances and Letters of Credit for Customers	1,141	891	543
Other Liabilities	1,677	4,723	3,270
Total \$	27,280	34,614	35,499
Assets—			
Cash	5,808	14,338	15,123
Accounts with Affiliated and Subsidiary Companies	10,187	6,103	11
Investments	1,036	2,168	6,589
Loans and Discounts	3,983	5,652	6,463
Property	2,546	2,953	2,628
Customers' Liability for acceptances and Letters of Credit	1,141	891	543
Other Assets	2,579	2,509	4,142
Total \$	27,280	34,614	35,499
Percentage of Total Capital and Reserves to Deposits	57.61	47.46	36.30
Percentage of Cash to Deposits	43.35	85.11	79.95

THE HONGKONG AND SHANGHAI BANKING CORPORATION

Head Office:—HONGKONG.

The Hongkong and Shanghai Banking Corporation owes its existence to a special ordinance of the Legislative Council of Hongkong in 1867. The Bank has a particularly strong reserve position, there being a sterling reserve of £6.5 million. In these calculations, sterling exchange has been taken at 1s. 8½d. Adopting the same exchange rate, deposits amount £58.3 million: The notes in circulation £11.4 million. Against these the Bank has, in cash and bullion, £26.9 million. Giltedge securities amount to £16.6 million. It will thus be seen that the Bank has not only a tremen-

dous reserve position but a substantial liquid position. That a bank of this size and with these resources should have felt the effects of the economic blizzard is somewhat surprising—but not so surprising if it is remembered that a large part of the operations of the Bank are done in China which has had its political troubles and currency fluctuations. In spite of the difficult conditions in which the Bank has had to carry on its business, it has been able to meet the exceptional losses from current profits, which shows that the earning power of the Bank is as sound as ever.

(In Dollars—000's omitted)

	1932	1933	1934
Liabilities—			
Capital	20,000	20,000	20,000
Sterling Reserve	104,000	89,784	76,098
Silver Reserve	10,000	10,000	10,000
Notes in Circulation	137,449	146,535	133,996
Deposits	931,338	873,954	683,397
Bills Payable	15,659	13,728	9,690
Acceptances for Customers	2,485	2,860	4,917
Assets—			
Cash and Bullion	333,472	384,561	315,310
Investments	289,981	229,570	194,414
Bills Discounted, Loans, and Credits	439,256	388,313	318,955
Bills Receivable, Remittances and Drafts in transit	148,981	144,491	92,248
Customers' Liability for acceptances	2,485	2,860	4,917
Banks Premises	19,674	18,659	22,118
Percentage of Total Capital and Reserves to Deposits	14.38	13.7	15.4
Percentage of Total Cash to Deposits	35.8	44.0	46.1

Profit and Loss Items—

Brought Forward	3,422	3,439	3,463
Profits	16,894	15,707	13,005
Dividend Distribution	15,297	13,612	12,101
Allocation to Funds	1,500	1,500	—
Carried Forward	3,439	3,463	3,295
Dividend per share	£8	£8	£6

THE NATIONAL CITY BANK OF NEW YORK.

Till a few years ago, the National City Bank of New York had the distinction of being the largest Bank in the world alike in regard to capital, reserves and deposits. The first place has now, however, been secured by the Chase National Bank, which, as a result of the latest amalgamation, has now the world record figure for capital, reserves and deposits. It may be said that the National City Bank of New York is, to-day,

the second largest Bank in the world. Its paid up capital is \$127 million, surplus \$30 million and undivided profits \$8 million. Deposits aggregate to \$1,395 million. The net operating earnings to the year without including recoveries, after deducting customary reserves amounting to \$2,405,000 and depreciations of bank premises, amounting to \$1,865,762.44 were \$14,623,463.42 which are \$2,112,255.87 more than those of the previous year. Dividends on the preferred stock amounting to \$2,221,022.20 and on the Common Stock amounting to \$6,716,649 were paid or reserved from the net operating earnings. \$2,500,000 was transferred to reserves and \$3,185,791.96 added to profit and loss leaving that figure at \$8,273,297.90 at the end of the year.

(In million dollars.)

Liabilities—	1932	1933	1934
Capital ...	124	127	127
Surplus ...	76	80	30
Reserves ...	37	8	10
Acceptances and Bills ...	74	74	66
Deposits ...	1,299	1,117	1,395
Other items ...	...	26	4
Total \$	1,615	1,387	1,640

Assets—

Cash ...	300	364	450
Loans, Discounts and Bankers' Acceptances ...	620	497	483
Acceptances ...	66	69	57
United States Govt. Bonds and Certificates ...	365	229	432
State & Municipal Bonds ...	53	66	64
Other Bonds & Securities ...	120	65	72
Stock in Federal Reserve Bank ...	7	7	7
Ownership of International Banking Corporation ...	8	8	8
Bank Premises ...	60	57	58
Other assets ...	16	25	9
Total \$	1,615	1,387	1,640

NETHERLANDS INDIA COMMERCIAL BANK, N. V.

The Netherlands India Commercial Bank N. V. was established at Amsterdam in 1863. Through its extensive organization the Bank is able to offer accommodation for every

description of banking business in Holland and its colonies, and also in many important ports in British India, China and Japan.

The condensed balance statement at January, 1st 1935, indicates a considerable shrinkage in business over 1934. Deposits have come down from guilders 90,303,309 to gr. 86,452,574, Cash from gr. 26,208,424 to gr. 15,962,809. Acceptances and bills payable from gr. 9,830,078 to 8,023,250. On the other hand there has been an increase in loans and advances to customers. The carry forward is lower at gr. 29,214 against gr. 36,095.

(In Guilders,—000's omitted)

	1933 Jan.	1934 Jan.	1935 Jan.
Liabilities—			
Capital ...	55,000	55,000	55,000
Reserve Fund ...	25,691	26,693	27,688
Deposits ...	100,418	90,303	86,453
Acceptances and Bills Payable ...	10,587	9,830	8,023
Profit and Loss Account ...	39	36	29
Total	191,735	181,862	177,193

GRINDLAY & Co., Ltd.

(INCORPORATED IN ENGLAND)

Estd. 1828.

Head Office: 54, PARLIAMENT STREET, LONDON

Affiliated with

NATIONAL PROVINCIAL BANK LIMITED

CURRENT ACCOUNTS opened and interest allowed at 1 per cent. per annum from Rs. 1,000 to Rs. 1,00,000. Other terms by arrangement.

FIXED DEPOSITS are received for 6 and 12 months and for shorter periods at rates that may be ascertained on application.

SAVINGS BANK ACCOUNTS opened. Interest at 2½ per cent. per annum.

Copies of rules may be obtained from all Branches on application.

INCOME-TAX recovered at all offices in India and in London.

The Bank undertakes **TRUSTEESHIPS** and **EXECUTORSHIPS**.

Offices in India:

BOMBAY, CALCUTTA, DELHI, NEW DELHI, LAHORE, LAHORE CANTT., PESHAWAR CITY, PESHAWAR CANTT., QUETTA, SIMLA.

CALCUTTA OFFICE, 4, CHURCH LANE.

Assets—

Cash	...	33,182	26,208	15,963
Investments	...	29,570	30,274	30,788
Bankers Abroad	...	6,840	9,820	11,488
Treasury Bills	...	13,100	20,791	19,550
Bullion and Bills				
Receivable	...	40,125	27,301	24,217
Loans and Advances	...	64,542	63,457	71,520
Property	...	4,376	4,011	3,667
Total	...	191,735	181,862	177,193

Percentage of Total Capital and Reserves to Deposits	...	80.4	90.5	95.6
Percentage of cash to deposits	...	33.0	29.0	18.4

THE YOKOHAMA SPECIE BANK, LTD.

Head Office: YOKOHAMA

The Reports and Accounts of the Bank are published for half-yearly periods.

Below are given details of the Balance Sheets as at December 31, 1932, 1933, and 1934 and the Summary of Profit and Loss Accounts for the half-years ended December 31, 1932, 1933 and 1934. Deposits show a decrease of nearly 87 million yen during the course of two years, but at the same time Profits have increased by 1½ million for the respective halfyears. Bills have increased by over 150 million yen

over the figures for December 1932. The allocation to reserve has also been increased. The usual dividend rate of 10 per cent. was declared and the carry forward is higher than last year at yen 8,941,325 as against yen 7,648,164.

(In thousand Yen.)

	1932.	1933.	1934.
Liabilities—			
Capital	100,000	100,000	100,000
Reserves	122,260	124,852	127,890
Deposits	680,157	600,508	593,463
Notes in Cir.	6,598	4,256	4,245
Bills	552,990	694,201	703,273

Assets—

Cash and Bullion	135,091	96,007	83,022
Investments	451,042	460,364	369,184
Bills	865,482	959,502	1,072,132
Property	22,558	22,106	20,050
Percentage of Capital and Reserves to Deposits	32.6	37.4	38.4
Percentage of cash to Deposits	19.8	15.9	13.9

Profit and Loss Account—

By Balance 30th June	5,077	6,869	8,257
By net profit for half-year	7,082	7,279	7,234
To Reserve Fund	1,300	1,500	1,550
To Dividend per Share	5	5	5
To Balance	5,859	7,648	8,941

There is a particular

SATISFACTION

in having a Policy with

EMPIRE OF INDIA LIFE ASSURANCE

COMPANY, LIMITED

BECAUSE it has—

1. Built up its position as one of the largest Indian Life Office.
2. Most Economical Management and strict observance of sound principles of Finance and Insurance.
3. High Reputation for Strength and Soundness of remunerative investments.
4. Prompt Settlement of Claims.

These figures speak themselves

NEW BUSINESS

TOTAL ASSETS - 4½ CRORES

POLICIES IN FORCE 11½ „

CLAIMS PAID - 4½ „

INCOME - 73½ LAKHS

CHIEF AGENTS :

D. M. DASS & SONS, LD.

28, DALHOUSIE SQUARE

CALCUTTA

INSURANCE SECTION:

LIFE INSURANCE

The usual test of the progress of life insurance companies business transacted every year and the following table shows the extent of new business secured by Indian companies and the volume of business outstanding at the end of each year.

Year.	New Business written during the year	Total Business remaining in force at year-end
1920	... 5,17 lakhs	31 crores
1921	... 5,47 "	34 "
1922	... 5,64 "	37 "
1923	... 5,85 "	39 "
1924	... 6,89 "	42 "
1925	... 8,15 "	47 "
1926	... 10,35 "	53 "
1927	... 12,77 "	60 "
1928	... 15,41 "	71 "
1929	... 17,29 "	82 "
1930	... 16,50 "	89 "
1931	... 17,75 "	98 "
1932	... 19,66 "	106 "

The figures for 1933 and 1934 are not yet available in collective form, but an examination of the Balance Sheets reveals that the business of the more important companies has shown an increase in 1934 over that of 1933.

Non-Indian companies also transact life insurance business in India and many of them had been established in India long before any Indian companies were organised. In recent years, however, the ratio of business secured by them has shown a progressive tendency to decline.

In addition to the insurance companies which are subject to the provisions of the Indian Life Insurance Companies' Act of 1912 and the amending Act of 1928, the Post Office carries on life assurance business for the benefit of the Government servants. Statistics of the Postal Insurance Fund are given hereunder.

New Business effected during the year

Total business remaining in force at year-end

Year ending 31st March	No. of policies.	Total sums assured	No. of policies.	Total sums assured & business	Total Income	Life Assurance Fund at year-end
(In thousands of Rs.)						
1929	7,582	1,43,41	64,474	13,02,47	63,17	3,64,44
1930	8,894	1,49,56	71,479	14,17,81	69,36	4,02,80
1931	9,710	1,50,38	79,058	15,32,85	76,05	4,46,46
1932	6,484	98,15	83,165	15,88,89	81,39	4,91,47
1933	4,215	81,17	84,726	16,24,39	84,24	5,39,00

According to a statement published by the United States Department of Commerce, the amount of life assurance in force per capita in various countries was as under, at the end of 1929:—

Country	Per Capita (In \$)	Per Capita (In Rs.) at par of exchange
U. S. A.	843	2,318.2
Canada	640	1,760.0
New Zealand	358	984.5
Australia	273	750.7
United Kingdom	266	731.5
Sweden	205	563.7
Italy	152	418.0
Norway	137	376.7
Netherlands	123	338.2
India	2	6

The total assets of Indian companies at the end of 1932, amounted to Rs. 31 2/3 crores and these were invested to the extent of 68.8 per cent. in stock exchange securities. Loans on the surrender value of policies and mortgages absorbed about 14½ cent. of the funds, land and house properties absorbed about 5 per cent. and other miscellaneous assets amounted to 11.7 per cent.

The total assets in India of non-Indian companies at the end of 1932, amounted to Rs. 37 6/7 crores, the bulk of which amount—nearly Rs. 32 1/5 crores—represents the Indian assets of companies incorporated in the United Kingdom, and nearly 5½ crores those of companies constituted in the Dominions and Colonies.

The Indian assets of American Companies amount to 2½ lakhs, those of Continental Companies to nearly 7 1/3 lakhs, of the Japanese to 7½ lakhs, and the Javanese to a little over ¼ lakh. Out of this 38 crores 33 6/7 crores represent Indian Assets of Companies, which carry on life business in India, either solely or along with other Insurance business.

In the matter of their investment policy it is gratifying to note that a more scientific policy is dawning upon the minds of Insurance Companies established in India. Formerly, there was hardly any company which adopted an active and rational investment policy. The general tendency was to purchase giltedge securities as and when funds accumulated and lock them away. Seldom was advantage taken of the disparity in yields of securities of different maturities with a view to increase the average rate of interest in investments and bring down the book value of securities. An active policy of the character indicated would not altogether relieve life insurance companies of the necessity of having to provide against depreciation of investments in abnormal times. But it would certainly mitigate the severity of this influence. The leading British offices are known to adopt this policy with beneficial results on the yield of their investments.

Besides, the present circumstances that prevail in the world money market call for

a wider diversification of Indian life insurance funds. For the interest yield on gilt-edge securities has fallen so abnormally low during recent times, that Indian life offices will find it very difficult to invest their funds for profit, if they still pursue the routine conservative policy of investing only in giltedge and other trustee securities. The present yield on giltedge securities is only roundabout 3½ per cent. whereas the rates of interest assumed in the valuations of most of the Indian life offices are between 4 and 5 per cent. If this low level of interest yield continues for a long time, the interest profits of a life office, which is the most important source of surplus, will dwindle down with the result that they may not be able to increase or even maintain their bonus rates. Further the premium rates for non-profit policies will also become inadequate under the present circumstances for these are calculated on the assumption that the life offices will earn at least a minimum rate of interest on the excess of premiums paid during the early years of a life assurance contract. If the present yield falls below this minimum rate (as it may happen now-a-days) then the premiums would become inadequate and should be revised and increased. In case of participating policies this necessity of revision of premium rates is not so imminent as these premiums contain a big margin for providing bonus, and if the worst happens, bonus may be reduced.

NEW BUSINESS FIGURES

INDIAN INSURANCE COMPANIES

(In thousands of Rs.)

Name of Company	Year ending	1932	1933	1934
Oriental	31st Dec.	5,94,01	7,04,26	7,62,48
Hindustan	30th Apr.	2,01,07	2,53,21	(a) 2,50,00
National	31st Dec.	1,55,74	1,67,15	1,69,58
Empire	28th Feb.	1,11,56	1,38,24	(a) 1,47,50
New India	31st Mar.	88,87	1,11,67	1,41,00
Bharat	31st Dec.	47,62	...	...
Lakshmi	30th Apr.	70,89	1,00,41	(a) 1,20,00
Bombay Mutual	31st Dec.	75,65	1,29,17	1,56,07
Bombay Life	31st Dec.	68,46	94,17	1,04,84
Industrial and Prudential	31st Dec.	52,00	67,00	78,78
United India	31st Dec.	49,66	66,41	79,76
Asian	31st Dec.	32,68	45,81	61,64
Metropolitan	31st Dec.	42,52	44,88	(a) 69,00
General Assurance	31st Dec.	35,22	47,76	52,13
Western India	31st Dec.	37,13	37,49	40,52
Zenith	31st Dec.	20,82	27,65	29,87
East and West	31st Dec.	20,82	30,54	...
Great India	31st Dec.	16,50	...	...
Jupiter General	30th June	15,07	14,05	...
Unique	31st May	...	23,34	23,50
Asiatic Govt. Security	31st Dec.	16,18	12,00	15,55

(a) The actual amount is over this figure.

INSURANCE SECTION :

FIRE AND MARINE INSURANCE

The Fire and Marine Insurance market in India till the close of the war, was dominated by the companies registered outside India. It is true that the Triton Insurance Company was founded in Calcutta with a rupee capital as long ago as 1850 and the Indian Mercantile Insurance Co., was started in Bombay in 1907 and both have been quite successful in their respective cities. But it was not till 1919 that Indian Companies were organised with a view to develop a distinctively national insurance market outside the sphere of life assurance.

The following table gives the names of the Indian general insurance offices with their paid up capital, date and place of registration.

Name of Companies	Date of registration	Place of registration	Capital Paid up
New India Assurance	1919	Bombay	71,21,000
Jupiter General Insurance	...	Bombay	23,75,000
Vulcan Insurance	1919	Bombay	15,99,000
Triton Insurance	1850	Calcutta	5,75,000
Universal Fire and General Insurance	1919	Bombay	6,35,000
British India General Insurance	1919	Bombay	10,00,000
Indian Mercantile Insurance	1907	Bombay	4,23,000
Hukumchand Insurance	1929	Calcutta	10,00,000
Crescent Insurance	1919	Bombay	1,47,000
Burma Fire and Marine Insurance	1919	Rangoon	15,00,000
Clive Insurance Co.	1917	Calcutta	.....
General Assurance Trust	1928	Bombay	.....
Indian Globe Insurance Company	1930	Bombay	.....
National Fire & General	1931	Calcutta	.....
Total			1,63,75,000

With the exception of the Burma Fire and Marine Insurance Company, Limited, which was floated in Rangoon in 1919 and the Hukumchand Insurance Company, and National Fire and General which were incorporated as late as 1929 in Calcutta, all the other newly established offices have their head-quarters in Bombay. The Burma Fire and Marine Insurance Company, after a successful career of 12 years, was wound up voluntarily in the year 1931. The Crescent Insurance Company, although originally incorporated with the object of transacting all classes of business, has latterly confined itself more or less to life assurance business. There are a few other companies with comparatively small paid up capital transacting miscellaneous business, such as motor car and employers' liability insurance.

The aggregate net premium income of all these companies from business underwritten in India in 1932 amounted to only Rs. 64 lakhs against a net total premium income of both Indian and non-Indian companies of Rs. 250 lakhs. The New India, the Jupiter, the Vulcan, The Triton and the Universal have also important business connections outside India and derived a net premium income of Rs. 100 lakhs in 1932 from their operations in the foreign field. The total premium income inclusive of foreign revenue, was Rs. 164 lakhs. During 1933 and 1934 though no official figures are available as yet, the amount of business done by Indian Companies in common with that done by European Companies has shrunk considerably, for which the acute world-wide depression is chiefly responsible. The amount of business which Indian Companies have so far been able to under-write in a year is small in comparison with their capitalisation. A much larger business can be handled by them with the resources in their command.

The distribution of premium income

among the non-Indian companies during 1932 is shown by the following table :—

Country of Incorporation	No. of Companies included	Fire	Marine	Miscellaneous	Total
Great Britain ...	60	67	13	43½	123½
Dominions & Colonies ...	19	15	19	4	38
United States ...	10	10	3	...	13
Continent of Europe ...	15	4½	2	...	5
Others ...	14	1½	2	...	2
Total ...	118	97½	36½	47½	1,81½

Statistics are not available in respect of the gross premium income derived from all classes of insurance business and the figures given in the official Insurance Year-Book are net figures after deduction of re-insurance premia. The total premium income of Rs. 250 lakhs for the year 1932 is composed of Rs. 126 lakhs from fire, Rs. 44 lakhs from marine, and Rs. 75½ lakhs from miscellaneous insurance.

Under the Insurance Companies act of 1928, companies transacting business in India are obliged to furnish the Government with statistics of only the net premium income derived from India for which credit is taken in the accounts. This is not a satisfactory state of affairs. The time has come when the Government should consider the desirability of amending the said Act, making it obligatory on Insurance companies to disclose their gross premium and net income on their Indian business.

The Official publications giving the revenue for 1933 and 1934, are not available now. But from balance-sheets already to hand, of the principal offices, it is possi-

ble to form some idea of the trend of business during those two years. In the fire branch owing to shrinkage of values and lower stocks carried by industries, a general contraction of premium income was bound to be felt. The following figures give the net premium income from fire business of the New India, The Jupiter, and The Triton for the four years 1931, 1932, 1933, and 1934.

	(In lakhs of Rupees).			
	1931	1932	1933	1934
New India	47.99	42.05	44.38	34.79
Jupiter General	10.19	12.64	14.76	...
Triton	6.91	6.52	6.57	7.25

In the Marine Insurance branch, the small proportion of business that India had has been further reduced by the unsettled conditions in the market. The scramble for business has necessitated the cutting of rates to ridiculously low levels, leaving little margin of profit. The only factor that tended to support the market, oddly enough, was the heavy export of gold from Bombay, which has been steadily maintaining a demand for insurance cover. It would seem however, that the bulk of this business has been handled by British Offices.

Conditions in the marine insurance market in England were no better. Owing to the insular feelings aroused by the severity of the trade slump, countries have raised tariff walls as high as the skies, blocking international trade. Consequently British exports have declined and the request for marine insurance has correspondingly decreased. However some of the British companies have done better in 1933, than in 1932.

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

INDIAN INSURANCE COMPANIES

ARYASTHAN INSURANCE COMPANY

(Established 1934)

Head Office: Calcutta.

The first annual report and accounts of the Aryasthan Insurance Company founded early in 1934, with Acharya Sir P. C. Ray as President of the Board of Directors, show that the Company has made a good start. Unlike many other new life insurance companies of the present day, Aryasthan has not, wisely, aspired for spectacular first year's new business irrespective of quality or cost. We have often pointed out in these columns that one of the great obstacles to the healthy growth of Indian life insurance business is the spurting up of new mushroom companies with insufficient capital and bad management but with big ambitions to produce spectacular figures somehow, anyhow. Many of such companies come to grief later in spite of their big show in the first few years. We are glad to note that Aryasthan does not belong to this class of new companies but has seriously begun to transact sound business, relying on slow but steady progress. It has secured the services of an influential board of directors including Acharya Sir P. C. Ray, and the management is in the capable hands of Mr. S. C. Ray.

During the first year ending March 31, 1935, the Company received 641 proposals for a sum of Rs. 9.72 lakhs, of which 478 resulted into policies assuring a sum of Rs. 7.62 lakhs. The total premium income for the year amounted to Rs. 23,155 and interest income to Rs. 1,290. A sum of Rs. 1,689, being the appreciation in the value of stock exchange securities held by the Company, is taken as income; but it is not quite a sound principle to take credit for unrealised appreciation in the book values of securities particularly in case of life insurance companies. Management

expenses are shown at Rs. 22,321 which works out to an expense ratio of 96 per cent. Though this is not bad for a new company, we trust the expense ratio will be brought down in rapid strides in the coming few years. It is noteworthy that the Company has written off as expenses in the revenue account a sum of nearly Rs. 2,000 out of the total preliminary organisation expenses of Rs. 14,000, the balance of Rs. 12,000 being shown as assets in the balance sheet. We hope even this will be written off gradually in a few years. The Company has been able to build up a life fund of Rs. 1,104 at the end of the year.

The balance-sheet shows a paid-up capital of Rs. 47,505, a life fund of Rs. 1,104 and other liabilities amounting to Rs. 5,205. On the assets side, giltedge securities held by the Company amount to Rs. 22,375 and cash to Rs. 7,585 and other miscellaneous assets amount to Rs. 23,854; a good proportion of the miscellaneous assets seem to be intangible assets and we trust the Directors will try to write them off as early as possible.

Life Account.

(In Thousands of Rs.)

		1934-35.
New Business:—		
Number of policies	...	4,78
Amount Assured	...	7,62
Total premiums	...	23
Claims	...	1
Expenses	...	22
Life fund at the end of year	...	1
Expense ratio	...	

Balance Sheet

Liabilities:—

Paid-up-capital	48
Life fund	1
Other liabilities	5
Total	54

1935 OUR SILVER JUBILEE YEAR

An excellent opportunity for capable
workers to join hands with the Asian

40% increase in the results for 1934
with brighter prospects for Jubilee year

THE ASIAN ASSURANCE COMPANY, LTD.

Asian Building, BOMBAY

IN 28 YEARS

OF SOUND BUSINESS OPERATION

THE NATIONAL INDIAN LIFE INSURANCE CO., LTD.

has built up a reputation for integrity, for soundness of its financial policy
and for fairness in settlement of claims.

Chairman : SIR R. N. MOOKERJEE, K.C.I.E., K.C.V.O.

Managing Agents : MARTIN & CO., CALCUTTA

ZENITH LIFE

SAFETY FIRST

ASSURANCE

CLEAN SERVICE

COMPANY LTD

JUST-FAIR

OF BOMBAY

DEPENDABLE

Assets:—

Giltedge securities ...	23
Preliminary organisation expenses	12
Cash ...	8
Other assets ...	11
Total	54

THE ASIAN ASSURANCE CO., LTD.

(Established—1910.)

Head Office:—BOMBAY.

Since the Asian Assurance Company came to receive the co-operation as Chairman of Mr. Jamnadas Mehta and since Mr. Fozdar has been its Manager, this Company has made remarkable progress as will be shown by the following table:

	1932	1933	1934
Number of proposals ...	2,724	3,877	5,228
Number of policies issued	2,066	2,520	3,990
Face value of proposals	46,19,500	62,13,050	82,60,725
Amount assured ...	22,63,125	45,30,575	61,63,920
Total premium income ...	7,88,587	9,20,151	11,16,89
Total business in force ...	1,48,40,001	1,80,11,530	2,18,06
Life Fund ...	24,50,235	28,66,044	3,02,338

In 1934 the Company underwrote new business of Rs. 62 lakhs which is the highest recorded amount in the history of the company and at the end of the year the life fund stood at Rs. 34.02 lakhs. Against total assets of Rs. 39.44 lakhs, the Asian has invested Rs. 17 lakhs in giltedge and bonds; Rs. 3.91 lakhs in mortgages on property; Rs. 5.25 lakhs in Loans on policies; Rs. 3.88 lakhs in secured loans and Rs. 6.18 lakhs on buildings. On the whole the investments of the Company are well distributed and carefully selected. The only remark that one may make is that the buildings, situated in Ballard Bier, Bombay, on which they have spent a considerable sum is a somewhat unfortunate investment as the land rent payable to the Port Trust is very high and as, owing to trade depression, letting out offices is extremely difficult in Bombay. The Directors have, therefore, wisely started a sinking fund for the company's building; the sinking fund stands now at Rs. 69,653. It is expected that this sum accumulating at 6 per cent. compound interest will, in the course of 48 years, amount to the full cost of the building. There are still 85 years to run in respect of the lease from the Port Trust.

Life Account.

(In thousands of Rs.)

	1932.	1933.	1934.
New Business—			
Number ...	2,066	2,820	3,990
Amount ...	32,53	45,30	61,64
Premiums on New Business ...	1,74	2,11	1,97
Total Premiums	7,89	9,20	11,17
Claims ...	2,52	2,14	2,61
Expenses ...	2,85	3,53	4,41
Life fund at the beginning of the year ...	20,80	24,50	28,66
Life fund at the end of the year ...	24,50	28,66	34,02
Ratio of expenses to premium ...			

Balance Sheet.

Liabilities—			
Capital ...	2,04	2,04	2,04
Life fund ...	24,50	28,66	34,02
Reserve funds ..	20	72	78
Other items ..	3,01	2,69	2,60
Total	29,75	34,11	39,44
Assets—			
Giltedge securities ...	6,86	10,86	11,71
Bonds and Preference shares ...	3,70	2,00	5,10
Loans on life policies ...	4,36	4,69	5,25
Other loans and Mortgages ...	4,23	7,90	7,83
House Property ...	6,18	6,18	6,18
Other items ...	4,45	2,48	3,37
Total	29,75	34,11	39,44

THE ASIATIC GOVERNMENT SECURITY LIFE ASSURANCE CO., LTD.

(Established 1913—Life Dept. 1922)

Head Office:—BANGALORE.

This company was incorporated under the Mysore State Companies Regulations and is one of the pioneers of Insurance business in that State. It is a progressive company with a neat and natty financial position. The accounts of the company are presented in a clear and lucid way, so that any lay man can interpret them. The results for the year ended December 31, 1934 show an all-round improvement on those of 1933. New policies numbering 1,423 were issued, assuring a total sum of Rs. 15.55 lakhs, as against 1034 policies assuring Rs. 12.00 lakhs in 1933. The total premium income was Rs. 2.46 lakhs. The Life Fund at the

end of 1934 was Rs. 6.34 lakhs showing an increase of Rs. 1.12 thousands over the previous year. The ratio of expenses to premium income at 39.5 per cent. has been considerably reduced from 40.6 per cent. in the previous year and 48 per cent., in 1932. The Directorate includes some of the most influential gentlemen in the State. The Chairman of the Board is Dr. F. H. Noronha, and the management is in the capable hands of Mr. V. Rangaswami. A sub-office of the company has been opened at 137, Canning Street, Calcutta.

New Business—

	1932.	1933.	1934.
Policies ...	773	1,034	1,423
Sum Assured ...	10,18	12,00	15,55
Premiums ...	1,75	2,02	2,46
Claims ...	33	82	49
Expenses (management) ...	84	82	97
Life Assurance Fund at the beginning of the year ...	3,51	4,07	5,22
Life Assurance Fund at the end of the year ...	4,07	5,32	6,34
Net increase ...	56	1,25	1,12
Ratio of expenses to Premium ...	48%	40.6%	

Balance Sheet.

Liabilities—

Capital ...	1,69	1,69	1,69
Life Assurance Fund ...	4,07	5,32	6,34
Reserves ...	1,02	48	58
Outstanding claims ...	22	23	33
Other items ...	50	36	43
Total ...	7,50	8,08	9,37

Assets—

Giltedged Securities and bonds ...	3,12	2,85	3,01
Loans on Policies ...	49	1,07	76
Other mortgages and loans ...	1,27	76	1,00
Fixed Deposits ...	1,05	1,20	95
House Property ...	33	24	1,34
Cash ...	53	1,06	1,03
Other items ...	71	90	1,28
Total ..	7,50	8,08	9,37

THE BOMBAY LIFE ASSURANCE CO., LTD.

(Established 1908)

Head Office: 45-47, CHURCHGATE STREET, BOMBAY.

Bombay Life is one of the sound and progressive life offices of India. Established in 1908, it has been gaining strength gra-

dually and to-day it can be included within the first ten of the life offices of India. Its new business has made rapid strides during the last three years and at Rs. 1.04 crores during the year under review it is a record for the company, showing an increase of nearly 10 per cent. over the figure of last year. The total life assurance in force at the end of the year 1933, amounted to 20,335 policies assuring a sum of Rs. 3.71 lakhs.

The total premium income of the year was Rs. 18.86 lakhs and interest income amounted to Rs. 2.60 lakhs. The life fund of the company has been substantially increased by Rs. 8 lakhs to Rs. 58 lakhs. The expense ratio has been reduced by nearly 14% to 40 per cent. We wish the company tries to reduce the same still further. The balance sheet of the company shows that nearly 64 per cent of the total assets of Rs. 69 lakhs is invested in giltedged securities; house properties account for 10 per cent., policy loans for 9 per cent. and other assets for 17 per cent. Thus the assets are quite sound and solid and are well distributed.

New Business—

(In thousands of Rs.)

	1933.	1934.
Number of Policies	5,119	5,589
Amount ...	94,16	1,04,34
New Premiums ...	4,04	4,99
Total Premiums ...	15,13	18,86
Claims ...	3,54	4,89
Expenses ...	6,26	7,62
Life fund at the beginning of the year ...	38,40	49,98
Life fund at the end of the year ...	50,05	58,03
Net increase ...	11,65	8,05
Ratio of expenses to premium ...	41.4%	40.0%

Balance Sheet.

(In thousands of Rs.)

	1933.	1934.
Capital ...	90	1,32
Life Fund ...	50,05	58,03
Reserve Fund ...	1,80	1,87
Outstanding claims ...	2,98	3,12
Other Items ...	3,11	4,71
Total ...	58,84	69,05

Assets—

Giltedged securities ...	37,45	44,53
Debentures and other shares ...	2,40	2,84
Mortgages and Loans ...	7,60	8,67
Agents' Balances ...	85	86
Cash ...	1,63	2,53
Other items ...	8,91	9,62
Total ...	58,84	69,05

**THE
BOMBAY MUTUAL LIFE ASSURANCE
SOCIETY LIMITED.**

(Established 1871).

Head Office:—BOMBAY.

The Bombay Mutual is a sound and virile Indian Mutual Life Office. Its progress has been notable, especially within the last five years. In the matter of new business, the company has made rapid strides; and in 1934 the business written in the company's books came to no less than Rs. 1,56.07 lakhs. In the last valuation the company declared bonuses of Rs. 25 and 20 per thousand on whole-life and Endowment policies respectively. The expense ratio is still very high for an office of its age and should be brought down considerably.

		(In thousands of Rs.)		
New Business—		1932.	1933.	1934.
Number	...	4,568	8,275	10,097
Amount	...	75.65	1,29.17	1,56.07
New Premiums	...	3.88	5.53	7.85
Total	...	10.52	15.93	21.78
Claims	...	2.39	2.64	3.82
Expenses and Commission	...	4.59	6.85	9.38
Life fund at the beginning of the year	...	15.99	20.02	33.51
Life fund at the end of the year	...	20.02	33.51	42.12
Net increase	...	4.03	13.49	8.61
Ratio of Expenses to Premiums	...	43.6	43.0%	43.1%

	Balance Sheet.		
Liabilities—			
Life Fund	...	20.02	33.51
Reserve Fund	...	4.19	...
Outstanding claims	...	1.65	2.14
Other items	...	1.12	1.90
Total Rs.	...	26.98	37.45

Assets—			
Giltedge and other stock exchange securities	...	21.46	22.41
Loans on life policies	...	2.15	3.75
Lands and Buildings	...	...	9.10
Cash	...	...	1.52
Other items	...	2.73	9.77
Total Rs.	...	26.98	37.45

**THE EAST AND WEST LIFE
INSURANCE CO., LTD.**

(Established 1913).

Head Office: BOMBAY.

The East and West Life Insurance Company has been in existence for nearly 22 years; and during all this period, it has had an up-hill task in securing business against the competition of rival business concerns and in securing such business at an economical rate. This is indicated by the fact that the ratio of expenses to Premium has been increasing and stands at the high figure of 55.1 per cent. The total business during 1933 came to Rs. 30.55 lakhs. The total premium income was Rs. 3.70 lakhs. The life fund increased by Rs. 1.36 lakhs to Rs. 7.64 lakhs. The company has steadily progressed since its inception. But till the life fund reaches at least Rs. 10 lakhs, the management will have to take strenuous steps to develop their organisation and interest the right class of agents.

		(In thousands of Rs.)		
New Business—		1931	1932	1933
No. of Policies	...	1,076	1,300	1,816
Sum Assured	...	18.34	20.50	30.55
Premiums on new business	...	99	1.15	1.21
Assurances in force	...	48.86	58.54	76.33
Total Premiums	...	2.61	2.96	3.70
Claims by death	...	29	56	62
Claims by maturity	...	15	18	16
Commissions and Expenses	...	1.44	1.68	2.04
Life Fund at beginning of the year	...	4.26	5.03	6.28
Life Fund at year end	...	5.03	6.28	7.64
Increase	...	77	1.25	1.36
Ratio of Expenses to Premiums	...	55.2%	56.8%	55.1%

	Balance Sheet.		
Liabilities—			
Capital	...	99	100
Life Fund	...	503	628
Other Reserves	...	50	11
Claims outstanding and other liabilities	...	32	49
Other items	...	2	5
Total Rs.	...	6.86	7.93

Assets—			
Giltedge	...	2.00	1.40
Debentures	...	84	23
Other shares	...	4	4
Loans on policies and otherwise	...	1.86	1.48
Cash	...	35	45
Other items	...	1.77	4.33
Total Rs.	...	6.86	7.93

LAKSHMI FORGING AHEAD

Completes

In its Eleventh Year a Business of
ONE CRORE and TWENTY LACS

SAFETY AND STABILITY.

are the key notes of Company's
continuous Progress

LAKSHMI INSURANCE
COMPANY, LIMITED
LAHORE

EMPIRE OF INDIA LIFE ASSURANCE CO., LTD.

(Established—1897.)

Head Office:—BOMBAY.

The Empire of India Life Assurance Company has the second place amongst Indian life offices in regard to size of its life fund. That this Company does not underwrite more business than it actually does in a year is because of the extreme vigour in the selection of lives and the conservative policy to which the Directors have remained loyal all through. Thus, in the year ending February 28, 1935, the proposals received amounted to Rs. 1,86 lakhs whereas policies issued were only Rs. 1,48 lakhs. Throughout its career, the Empire of India has been less keen about the size of new business than about the quality of business and the price at which it is secured. For this reason, the mortality experience of the Company is most favourable; and the expenses of management are markedly low, the ratio of expenses to premium income in 1934-35 being 22.8 per cent. Likewise, the Company has always pursued a conservative policy in regard to investments. Its investments are more or less confined to giltedge securities and first-grade bonds. As much as 99.5 per cent. of such securities and bonds are in the shape of terminable loans, so that the depreciation provided for in past year by a reserve of Rs. 28 lakhs were in the nature of a strengthening of inner reserves as and when the securities mature. It may be taken for granted that in the case of a company like the Empire of India, all the securities in the portfolio will be kept on, right to the date of redemption and that, in the meantime, there could be no occasion whatsoever for the sale of such securities. The Chairman of the Company, Mr. Ruston K. R. Cama, in his speech at the annual meeting said, "In view of the very substantial rise which has taken place (since the presentation of the previous report) in the high class fixed interest bearing securities which the Company holds a valuation as at 28th February last shows that the aggregate market value of our invested funds exceeds by a very substantial margin the value at which the securities appear in our balance sheet without taking into account the investment Reserve Fund of over Rs. 28 lakhs." Nor has the Empire of India been a victim to the prevalent mania to declare high bonuses. In this regard also, the Empire of India has

preferred to err on the side of safety. The Empire of India is content to make its appeal to the public on the basis of its extremely low premium rates, honest and safe investment policy, most economical management and strict observance of sound principles of finance and insurance. It is not by hectic canvassing for large business but by consistent and persistent adherence to these principles that the Empire of India has built up its position as the second largest Indian life office; its life fund standing at Rs. 3.95 crores, Investment reserve fund at Rs. 28 lakhs and the total resources at Rs. 4.54 crores. The Managers are Messrs. Allum, Bharucha & Co. The Chief Agents for Bengal, Bihar and Orissa and Assam are Messrs. D. M. D. & Sons, who account for a big slice of the total business.

Life Account.

New Business—

(In Thousands of Rupees.)

	1932-33	1933-34	1934-35
Number (actual) ...	6,157	7,602	8,511
Amount ...	1,11,56	1,38,25	1,47,58
Premium on Business ...	5,62	6,42	6,86
Total Premiums ...	48,91	49,71	51,65
Claims by Death ...	10,41	9,35	11,67
Claims by Maturity ...	25,15	28,27	26,85
Life Fund at the beginning of the year ...	3,49,90	3,63,16	3,82,26
Life Fund at the end of the year ...	3,63,16	3,82,26	3,95,39
Ratio of Expenses to Premium ...	21%	22.1%	22.8%

Balance Sheet.

Liabilities—

Capital ...	1,80	3,09	3,09
Life Fund ...	3,63,16	3,82,26	3,95,39
Other Reserve Funds ...	34,63	35,74	37,04
Outstanding claims ...	12,53	11,82	12,64
Other items ...	6,27	4,61	1,87
Total ...	4,18,29	4,37,52	4,50,03

Assets—

Giltedge Securities ...	1,59,60	2,10,16	2,58,27
Debentures ...	1,70,28	1,25,17	95,21
Loans on Life Policies ...	64,23	67,33	65,00
House Property ...	9,00	9,06	9,00
Other Assets ...	15,18	25,86	24,55
Total ...	4,18,29	4,37,52	4,50,03

HINDUSTHAN CO-OPERATIVE INSURANCE SOCIETY, LTD.

NEW DESHABANDHU POLICY

Most up-to-date Insurance Cover at Cheap Cost
and
other Attractive and Novel Schemes of Assurance
LOWEST PREMIUM HIGHEST BONUS

At your service—

N. SARKER,
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*Branches and Agencies
throughout India, Burma
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Head Office:
**HINDUSTHAN BUILDINGS,
CALCUTTA**

WHAT HAS MADE 

METROPOLITAN

POPULAR ?

Its Business :—

1st	Year	Rs.	40,00,000
2nd	"	Rs.	42,50,000
3rd	"	Rs.	44,50,000
4th	"	Rs.	69,00,000

Its Specialities :—

- | | |
|---|------------------------------------|
| 1. Up-to-date privileges to policy-holders. | 3. Liberal terms to Field-Workers. |
| 2. Safety of policy-holders' interest. | 4. Speedy settlement of claims. |

METROPOLITAN INSURANCE CO., LTD.

Managing Agents :—BHATTACHERJI CHOUDHURI & COMPANY

Head Office :—28, POLLOCK STREET, CALCUTTA.

Branches :—BOMBAY, MADRAS, LAHORE & DELHI.

Sub-Offices :—BANGALORE, RANGOON & DACCA.

THE GENERAL ASSURANCE SOCIETY, LTD.

(Established 1907)

Head Office: AJMER.

The General Assurance Society of Ajmer has a clean and comfortable position. The business completed in 1934 is 52.13 lakhs.

The increase to the life fund in the year was Rs.4.5 lakhs. The life fund at the end of the year was Rs. 55.9 lakhs. The total resources of the company come to Rs. 64.01 lakhs, of which giltedge account for Rs. 46.1 lakhs and loans on life policies were 5.39 lakhs. The Company has the unstinting and single-minded devotion of the General Manager, Mr. Bhargava.

Life Account.

(In Thousands of Rs.)

New Business—	1932.	1933.	1934.
Number of Policies	2,265	3,005	3,354
Amount Assured ...	3,522	4,776	5,213
Premiums on New Business ...	1,79	2,00	2,48
Total Premiums ...	10,86	11,84	13,13
Claims ...	3,42	3,07	5,07
Expenses ...	2,93	3,67	4,29
Life Fund at the beginning of year	34,37	40,23	51,42
Life Fund at year end ...	40,23	51,42	55,92
Ratio of expenses to Premium ...	27.5%	31.0%	32.7%

Balance Sheet.

Liabilities—			
Capital ...	1,33	1,33	1,33
Life Fund ...	40,23	51,42	55,92
Outstanding Liabilities of Life Fund	2,56	2,49	2,70
Other items ...	4,62	3,05	4,06
Total ...	48,74	58,29	64,01

Assets—

Giltedge Securities	34,20	41,06	46,14
Other Securities and Debentures ...	6,14	5,40	5,37
Fixed Deposits ...	2	14	31
Loans on Life Policies	3,30	3,91	5,62
Lands and Buildings	1,20	1,22	1,76
Other items ...	3,88	6,56	4,81
Total	48,74	58,29	64,01

HINDUSTHAN CO-OPERATIVE INSURANCE SOCIETY, LTD.

(Established—1907).

Head Office: CALCUTTA.

The Hindusthan Co-operative Insurance Society has made a bold bid for the second place in the ranks of Indian insurance companies so far as the underwriting of new business is concerned. This ambition, the Company fulfilled four years ago, and has maintained the record in 1934-35 during which new business underwritten comes to over Rs. 2½ crores. By virtue of such a large inflow of new business, the Society is in the current year, as it was in the last year, the second amongst Indian life offices, the easy first being the Oriental. Looking over the past three years, it is noteworthy that the expense ratio is increasing steadily from 34.6 per cent. in 1931-32 to 37.1 per cent. in 1932-33 and 38.8 per cent. in 1933-34. The report for the year 1934-35 has not yet been published but we trust the Society would have tried to reduce the expense ratio from this high level. However, a company like the Hindusthan Co-operative need not at all be anxious to buy its business except on its own terms. By all tokens, its expansion policy will mark its activities in the coming years; and while the management are certainly justified in aiming high, they should be equally particular about the other aim, namely, not allowing the expense ratio to grow higher. The Company may also be congratulated on the substantial addition to the life fund which it was able to make in 1933-34. The increase in the life fund during the year was Rs. 17.08 lakhs as compared with Rs. 14.69 lakhs and Rs. 14.38 lakhs in the previous two years. So satisfactory an improvement in the amount added to the Life fund may certainly be taken as testimony to a favourable claims experience and strict control of expenditure. The life fund at the end of April, 1934 stood at Rs. 1,50.37 lakhs. It is probable that the life fund as on April 30, 1935 might be roundabout Rs. 1,70 lakhs. The investment policy of the Hindusthan Co-operative calls for special remarks. The Directors have avoided, on the one hand, the rigorous adherence only to gilt-edge investments (which is the policy of a company like the Oriental) and, on the other, injudicious investments and advances (which is the case with, for instance, the Bharat). A scrutiny of the investments of the Hindusthan Co-operative shows that gilt-edge and bonds

and cash are about 13 per cent. of the total assets; loans on policies absorb another 10 per cent.; the balance is invested either in house and landed properties or loans on mortgages of properties. It should not be forgotten that properties have gone down considerably in value. When a company has nearly Rs. 1,10 lakhs either in the shape of properties or loans against properties, there would have to be constant attention to the fluctuation in property values and to the way these fluctuations affect the securities of the company. The Hindustan Co-operative is able to devote some attention of this kind, as it has specialised, to a certain extent, in the functions of a house building society. While we have no doubt that great vigilance is being exercised in this regard, we cannot but think that the Company has too small a portfolio of liquid securities; that it should take steps to add to this class of investments; and that, in addition, the property holdings or loans against properties should, for some time to come, be avoided. We note that the Society has at long last recognised the point of our criticism of its investment policy. The Society had to earn so far a higher rate of return on its investments than would be forthcoming from the pursuit of a humdrum policy, in order to clear off their commitments in respect of their combined policies. And we now learn on the authority of the management that the Society has outlived such necessity. In fact we are assured that the new policy is already in progress and one may see tangible results thereof in the next balance sheet. In its campaign of capturing more and more business, the Hindustan Co-operative has placed before the public interesting and attractive schemes like the Deshbandhu policy and the Silver Jubilee policy. The management of the Company is in the able hands of Mr. N. R. Sarkar.

Life Account.

New Business—

(In thousands of Rs.)

	1931-32.	1932-33.	1933-34.
Number ...	8,790	12,973	16,913
Amount ...	1,42,40	2,01,10	2,53,79
Total Premiums ...	26,19	31,99	38,87
Claims by death ...	4,47	5,72	8,23
Claims by Maturity ...	3,18	4,84	5,93
Expenses ...	9,06	11,64	15,19
Life fund at the beginning of year ...	1,04,22	1,18,60	1,33,29
Life fund at the end of year ...	1,18,60	1,33,29	1,50,37
Net increase in the life fund ...	+14,38	14,69	17,08
Ratio of expenses to Premium ...	34.6%	37.1%	38.8

Balance Sheet.

Liabilities—

Capital ...	4,88	4,88	4,87
Life fund ...	1,18,60	1,33,29	1,50,37
Outstanding claims ...	4,65	5,06	4,97
Other items ...	3,65	3,56	4,96
Total ...	1,36,37	1,52,50	1,73,49

Assets—

Gilt-edge securities ...	9,95	9,88	9,60
Debentures ...	3,37	2,87	5,10
Ordinary shares ...	2,76	2,72	2,72
Loans on life policies	13,57	15,18	17,25
Loans on mortgages of real properties ...	55,32	55,13	68,08
House and landed properties ...	26,18	34,61	42,30
Cash ...	1,54	5,36	7,96
Other items ...	24,68	27,25	20,48
Total ...	1,36,37	1,52,50	1,73,49

INDIAN GLOBE INSURANCE CO., LD.

(Established—1929).

Head Office: 28, APOLLO STREET,
BOMBAY.

The Indian Globe Insurance Company is just 5 years old and for its age is doing good and sound business. As the company pursues a conservative policy in underwriting business, there is no spectacular rise in the business. The accounts for the year 1933 show marked improvement over the figures of 1932 both in the life branch and the general insurance branch. The total premium income of the company for the year under review amounted to Rs. 3.05 lakhs as against Rs. 2.54 lakhs in the previous year.

In the life department the company issued 321 policies during the year assuring a sum of Rs. 10.20 lakhs as against Rs. 8.51 lakhs in 1932. The total premium received amounted to Rs. 1.07 lakhs. The life fund has been substantially increased by a sum of Rs. 37,000 to Rs. 59,000. The expense ratio has been greatly reduced from 69.5 per cent. in 1932 to 55.1 per cent. in 1933.

The total premiums received, in the general branches amounted to Rs. 155 lakhs showing an increase of Rs. 20,000 compared with the results of the last year. The reserves are kept at Rs. 56,000 or 36.1 per cent. of the premium income. The funds are being gradually increased and we hope that the company will soon build

up a sufficient fund both in the life and the general branches.

Life Account.

(In thousands of Rs.)

	1932	1933
New Business—		
No. of policies ...	2,86	3,21
Amount ...	8,51	10,20
Premiums on new business ...	50	52
Total premiums ...	69	1,07
Claims ...	4	12
Expenses ...	48	59
Life fund at beginning of year ...	3	21
Life fund at the end of year ...	21	59
Ratio of expenses to premium ...	69.5%	55.1%

General Insurance Account—

Premiums ...	1,35	1,55
Claims ...	47	31
Expenses ...	89	1,09
Reserves ...	34	56
Ratio of claims to premium ...	34.8%	20%
Ratio of expenses to premium ...	65.9%	70.3%
Ratio of reserves to premium ...	25.2%	36.1%

Balance Sheet.

(In thousands of Rs.)

Liabilities—

Capital ...	3,02	3,06
Life fund ...	21	59
General Insurance fund ...	34	56
Outstanding claims ...	21	12
Other liabilities ...	80	1,13
Total	4,58	5,46

Assets—

Giltedge securities ...	2,45	2,15
Debentures ...	...	15
Cash ...	40	41
Other items ...	1,73	2,75
Total	4,58	5,46

**THE
INDIAN LIFE ASSURANCE CO., LTD.**

(Established in 1892)

Head Office: KARACHI.

This Company has now been in existence for 43 years and the financial position of the Company is very satisfactory. Below are given details of the position of the Company according to the report and accounts as at 31st May, 1934. The expenses ratio of the Company is remarkably low at 13.4 per cent.

New Business—

(In thousands of Rs.)

	1932	1933	1934
No. of Policies ...	3,18	5,44	4,74
Sum Assured ...	5,90	7,56	8,16
Premium income ...	28	36	39
Total premiums ...	7,06	7,00	7,03
Life Fund at the beginning of the year ...	62,43	68,23	71,39
Life Fund at the end of the year ...	63,23	71,39	75,37
Net increase ...	80	3,16	3,98
Claims ...	2,51	3,53	3,82
Expenses ...	95	90	94
Ratio of expenses to Premium ...	13%	12.9%	13.4%

Balance Sheet.

Liabilities—

Capital ...	1,45	1,45	1,45
Life Assurance Fund ...	63,23	71,39	75,37
Shareholders' Reserve Fund ...	6,83	7,83	8,48
Claims outstanding ...	1,48	1,92	1,94
Other items ...	14,28	34,74	36,73
Total	87,27	1,17,33	1,23,97

Assets—

Giltedged securities and bonds ...	74,00	1,04,16	1,10,66
Loans on Policies ...	3,35	3,60	3,82
Other Mortgages and Loans ...	1,44	1,00	95
Property ...	6,42	6,41	6,19
Cash ...	31	47	55
Other items ...	1,75	1,69	1,80
Total	87,27	1,17,33	1,23,97

**THE INDIAN MERCANTILE
INSURANCE CO., LTD.**

(Established 1907)

Head Office: 11, BANK STREET, BOMBAY

The Indian Mercantile is one of the few old insurance companies doing general insurance business. The Company transacts fire insurance in a modest scale but on a very sound basis. The life department was opened towards the end of April, 1933, and substantial progress has been made even during this short time of one and a half years. The balance sheet is neat and natty and shows the total assets at Rs. 15.31 lakhs.

The net fire premiums after deduction of reinsurance premiums amounted to Rs. 1.12 lakhs and out of this fire losses absorbed Rs. 34,000 or 30.3 per cent. and management and commission expenses took Rs. 64,000 or 57 per cent. The fire fund at the end of the year stands at Rs. 2.30 lakhs or 205 per cent. of the premium income. A sum of Rs. 5,000 has been transferred to

the profit and loss account from the fire account.

In the life department 714 proposals amounting to Rs. 13.94 lakhs were received during the year 1934 and of this 656 policies assuring a sum of Rs. 11.39 lakhs were completed. The premiums received amounted to Rs. 69,448. The results are satisfactory when the great competition in the field from old and new companies are considered.

Fire Account.

(In thousands of Rs.)

	1933.	1934.
Premiums (Net) ...	1,11	1,12
Claims ...	31	34
Expenses ...	60	64
Reserves ...	2,25	2,30
Ratio of claims to Premium ...	27.93%	30.3%
Ratio of expenses to premium ...	54.05%	57.1%
Ratio of reserves to premium ...	202.7%	205.3%

Life Account.

(In thousands of Rs.)

No. of policies ...	2,08	6,56
Amount assured ...	5,01	11,39
Premiums ...	21	69
Claims ...	Nil	14
Expenses ...	21	54
Life fund at the end of the year ...	1	5

Balance Sheet.

(In thousands of Rs.)

	1933.	1934.
Liabilities—		
Capital ...	4,23	4,23
Fire Fund ...	2,25	2,30
Reserve Funds ...	5,10	5,10
Outstanding liabilities of Life Assurance Fund ...	25	1,27
Other liabilities ...	1,79	2,36
Total ...	13,63	15,31
Assets—		
Giltedge securities ...	9,00	9,43
Property ...	3,73	3,73
Outstanding Premiums and rents ...	41	62
Cash ...	14	27
Other Assets ...	35	1,26
Total ...	13,63	15,31

JUPITER GENERAL INSURANCE COMPANY, LD.

(Established 1919)

Head Office:—BOMBAY

The turning point in the history of Indian General Insurance Companies is the decision

to abandon slowly the American field and concentrate on the domestic business. It is gratifying that the Jupiter has secured increasing business during these years.

The Premium income from the year ended 30th June, 1934 shows substantial increases in the Life and Accident branches, while there has been a slight decrease in the fire and marine departments. Only four or five years ago, the Company started life business. And the total new business in 1933-34 was Rs. 14.14.78 lakhs. At the end of the year, the life fund stood at Rs. 4.59 lakhs. The capital of the Company amounts to Rs. 23.75 lakhs; and the various funds aggregate to Rs. 21.23 lakhs. In the Fire department, the ratio of reserve to premium is 62.3 per cent. The Directors should lose no opportunity of making further additions to the reserve, far and above the customary 40 per cent., so that the ratio of reserve to premium comes to 70 per cent. in due course. In the marine account, the reserve position is very strong, the ratio of reserve to premium being 166.6 per cent. against 124.2 per cent. in the previous year. In the accident department, the reserve requires further strengthening. The funds of the Company are invested in giltedge securities or in American securities. A rever-

THE Jupiter General Insurance Co., Ltd.

(Estd. 1919 : Incorporated in India)

**TRANSACTS ALL CLASSES
OF INSURANCE**

**LIFE, FIRE, MARINE,
MOTOR CARS,
LORRIES, ETC., ETC.**

Calcutta Branch :

7, Pollock Street

TELEPHONE : CAL. 1788

sionary bonus to participating policies at the rate of 15 per participating policies at the rate of 157 per thousand sum assured per annum in whole-life policies and at the rate of 12 per cent. per thousand per annum in the case of other classes of policies was declared at the first valuation of the Company. The Managing Agents are Messrs. Lalji Narainji & Co., who have influential connections and are, therefore, in a position to help the Company with large business. The Secretary is Mr. K. S. Ramachandra Iyer, who is well-known in connection with his activities for the consolidation of the Indian insurance companies.

Life Account

(In thousands of Rs.)

	1931-32.	1932-33.	1933-34.
New Business—			
Number (actual) ...	810	811	788
Amount ...	15,07	14,05	14,78
Premiums on New Business ...	86	68	86
Total Premiums ...	1,96	2,44	3,11
Claims ...	26	29	1,10
Expenses ...	85	98	1,08
Life fund at the beginning of the year	1,19	2,11	3,61
Life fund at the end of year ...	2,11	3,61	4,59
Ratio of expenses to premium ...	43.4%	40.0%	34.8%

Fire Account.

Premiums ...	12,54	14,76	14,04
Claims ...	4,80	6,17	5,72
Expenses ...	5,84	6,52	6,61
Total Reserves ...	5,50	7,50	8,75
Ratio of claims to premium ...		41.8%	40.7%
Ratio of expenses to premium ...	46.6	44.2	47.1
Ratio of reserves to premium ...	43.9%	50.8%	62.3%

Marine Account.

Premiums ...	2,40	1,77	1,32
Claims ...	1,09	79	55
Expenses ...	1,01	86	76
Total reserves ...	2,15	2,20	2,20
Ratio of claims to premium ...	45.4%	44.6%	41.7%
Ratio of expenses to Premium ...	42.1%	48.9%	57.6%
Ratio of reserves to premium ...	89.6%	124.2%	166.6%

Accident Account.

Premiums ...	2,11	1,49	1,51
Claims ...	1,07	97	74
Expenses ...	99	77	80
Total reserves ...	1,10	1,10	1,10
Ratio of claims to premiums ...	50.7%	64.8%	49.0%
Ratio of expenses to premiums ...	46.9%	51.4%	53.0%
Ratio of reserves to premiums ...	52.1%	73.8%	72.8%

Balance Sheet.

Liabilities—			
Capital	23,75	23,75	23,75
Funds—			
Fire ...	5,50	7,50	8,75
Marine ...	2,15	2,20	2,20
Accident	1,10	1,10	1,10
Life fund	2,11	3,61	4,59
Other funds	4,52	4,39	4,59
Total funds	15,38	18,80	21,23
Other items	9,56	15,04	11,43
Total	48,69	58,19	56,41
Assets—			
Investments ...	33,84	34,09	36,27
Branch, agent's and other balances ...	10,05	7,68	7,04
Other items ...	99	9,36	9,71
Cash ...	3,71	6,17	5,39
Total ...	48,69	58,19	56,41

Profit and Loss Account.

Receipts—			
Brought in ..	23	9	14
Transferred from—			
Fire Account ..	1,39	24	43
Marine Account ..		16	7
Accident Account ..		...	2
Interest ..	1,07	1,09	1,00
Other items ..	6	80	40
Total ..	3,14	2,37	2,06
Disbursements—			
Dividend: Rate %	3 1/3%		
Amount	62	1,26	1,26
Allocations	1,53	43	34
Other items ..	79	54	22
Carry forward ..	20	14	24
Total ..	3,14	2,37	2,06

THE LAKSHMI INSURANCE CO., LTD.

(Established 1924)

Head Office: LAHORE.

The progress of the Lakshmi Insurance Company during its brief existence of 11 year is truly a romance in the annals of Indian Insurance. From the very beginning it has achieved remarkable results year after year, underwriting large volumes of new business, conducting its affairs on an economical basis and pursuing a scientific financial policy. To-day the Lakshmi has attained a stage which entitles it to be classified among the first ten Indian Life offices in every respect. During the past 2 years the new business of the company has exceeded the one crore mark and the life fund at the end of 1933-34 has approached

Rs. 50 lakhs. We understand that the new business completed by the company during the year 1934-35, for which the accounts are not yet available, exceeded Rs. 1.20 crores. Such rapid progress combined with the gradual strengthening of financial resources is indeed unique in the history of Indian Life insurance business.

During the year ending 30th April 1934, the Company received 6,639 proposals amounting to Rs. 1.30 crores and of these 5,592 proposals resulted into policies assuring a sum of Rs. 1.00 crores. The total income during the year amounted to Rs. 19.69 lakhs of which the premium income represented a sum of Rs. 17.28 lakhs. On the outgo side claims by death and maturity took Rs. 2.05 lakhs while management expenses absorbed Rs. 5.68 lakhs. The expense ratio at 32.8 per cent. shows a slight decrease compared with that of the previous year. This is indeed remarkable in a year when the new business of the company has been increased by more than 25 per cent. The life fund at the end of the year stands at Rs. 49.09 showing a considerable increase of Rs. 11.15 lakhs over the last year's amount. The total assets amounting to Rs. 57.61 lakhs are scientifically distributed. The management is in the hands of Pandit K. Santanam to whom a great part of the credit for the sturdy growth is due—

(In Thousands of Rs.)

	1931-32	1932-33	1933-34
New Business—			
Number of policies (actual) ...	3,483	4,245	5,592
Amount assured ...	68,19	80,18	1,00,41
New Premiums ...	3,30	3,87	4,11
Total Premiums ...	12,65	14,38	17,28
Claims ...	1,44	1,68	2,05
Expenses ...	4,09	4,74	5,68
Life fund at the beginning of the year ...	21,76	29,54	37,94
Life fund at the end of the year ...	29,54	37,94	49,09
Net increase ...	7,78	8,40	11,15
Ratio Expenses to Premiums ...	32.4%	33.0%	32.8%

Balance Sheet.

Liabilities—			
Capital ...	1,01	1,01	1,01
Life fund ...	29,54	37,94	49,09
Outstanding claims ...	59	77	83
Other items ...	1,74	2,29	6,68
Total	32,88	42,01	57,61

Assets—

Giltedge securities	15,49	12,49	10,91
Loans on life policies ...	88	1,48	2,13
Other loans and Mortgages ...	9,65	17,76	22,91
House Property ...	1,92	2,36	11,44
Other Assets ...	3,21	3,01	4,82
Cash ...	1,73	5,01	5,40
Total	32,88	42,01	57,61

THE METROPOLITAN INSURANCE COMPANY, LTD.

(Established 1930)

Head Office: 28, POLLOCK ST., CALCUTTA.

Started in the year 1930, the Metropolitan Insurance Company has shown remarkable progress in the matter of procuration of New Business. Even during the first year of its the new business of the company amounted to Rs. 40 lakhs nearly; during the second year ending December 31, 1932, the new business has been increased by over Rs. 2½ lakhs and during the 3rd year ending December 31, 1933 it shows a further increase of Rs. 2 lakhs nearly. The total premium income for the year 1933 amounted to Rs. 2.91 lakhs and the life fund at the end of 1933 stood at Rs. 1.17 lakhs having been increased by Rs. 55,000. The expense ratio at 75.6 per cent. has been reduced by nearly 9 per cent. compared to the last year.

The balance sheet shows a paid up capital of Rs. 1.00 lakh, a life fund of Rs. 1.17 lakhs and other liabilities amounting to Rs. 51,000. The distribution of the assets is not quite scientific and we hope the directors will pay more attention to giltedged securities as one of the best items of assets.

(In Thousands of Rs.)

	1932	1933
New Business—		
Sum assured ...	42,52	44,33
Total Premiums ...	1,67	2,91
Life fund at the beginning of the year ...	37	62
Life fund at the end of the year	62	1,17
Net increase ...	25	55
Claims ...	8	23
Expenses ...	1,41	2,20
Ratio of Expenses to Premium ...	84.4%	15.6%

Balance Sheet.

Liabilities—			
Capital	...	1,00	1,00
Life Assurance fund	...	62	1,17
Claims outstanding	...	8	21
Other items	...	40	30
Total		2,10	2,68
Assets—			
Investments	...	85	1,33
Advances	...	38	2
Cash	...	17	30
Other items	...	70	1,03
Total		2,10	2,68

NATIONAL INDIAN LIFE INSURANCE CO., LTD.

(Established—1907)

Head Office: CALCUTTA.

The National Indian Life Insurance Company has a strong Board of influential Directors and is under the Managing Agency of the reputable firm of Messrs. Martin & Co. It is, therefore, surprising that the Company has not made a more rapid and a more substantial progress than has been the case. Many of the companies, started contemporaneously with the National Indian, have a far larger life fund, underwrite a far greater amount of new business and earn a more substantial income in the year both from the premium and interest on investments. Companies of the standing of the "National Indian" should show much better results. That the "National Indian" has not done so well as it might, shows either that the Premium Tables compare unfavourably with those of other companies, or that the organization for securing new business is not the best. To all these criticisms, the answer may be given that Sir R. N. Mookerjee always prefers to pursue a conservative policy and build his business on a slow and sure basis; and that even if the National Indian has no sensational figures of one kind or another, its development has been on scientific lines and its present position is intrinsically sound. We readily agree that, judged by every canon of insurance, the growth of the National Indian has been on healthy lines and the Company has an impregnable position financially. But the real point of criticism is that the National Indian is eminently the

kind of company in which a headier pace of progress could be achieved without anythink like an appreciably extra effort. We are glad to note that during the year 1934. The company has made a rapid stride in the matter of securing new business, the actual amount having been increased by more than 50 per cent. over the 1933 figure to Rs. 36.93 lakhs. This is a new high record in the history of the company. The life fund of the Company stands at Rs. 52.50 lakhs. The business on the books of the Company has been selected with the utmost care. The mortality experience of the Company is most favourable. Every attempt is being made to keep expenses under control. With all these in its favour, business conservatism seems to be a virtue less needed than business enterprise. The investments of the Company are well spread. Mortgages on property account for Rs. 12.04 lakhs; loans on policies for Rs. 7.14 lakhs; giltedge and stock exchange securities for Rs. 34.50 lakhs. The total assets of the Company amount to Rs. 57.37 lakhs. The annual premium income in 1934 was Rs. 8.43 lakhs and the total income from all sources Rs. 16.65 lakhs. The increase in the life fund was Rs. 7.52 lakhs. The stock exchange securities amounting to Rs. 34½ lakhs have all been valued at market prices as on December 31, 1934 and unrealised appreciation to the extent of Rs. 4.89 lakhs has been taken credit for, as an income in the revenue account in order to increase the life fund. This is not quite a sound principle particularly in case of life offices where the liabilities are spread over a long future period. If at any future time the prices of securities fall down, there should be sufficient reserve fund to write them down then.

Life Account.

(In Thousands of Rs.)

	1932.	1933.	1934.
New Business—			
No. of Policies	...	1,261	1,727
Net sum Assured	...	17,47	24,05
Net new Premiums	...	83	1,03
Total net Premiums	...	7,33	7,65
Interest	...	2,30	2,45
Claims by death	...	1,78	1,34
Claims by maturities	...	3,57	2,09
Commission & Expenses	...	2,79	2,80
Life Fund at beginning of year	...	40,33	41,54
Life Fund at year end	...	41,54	44,98
Increase in Fund	...	1,21	3,44
Ratio of expenses to Premium	...	38.1%	36.6%
			38.7%

Balance Sheet.

Liabilities—					
Capital	...	...	1,00	1,00	1,00
Life Fund	...	...	41,54	44,97	52,50
Outstanding Claims	...	...	2,21	1,94	3,02
Other Items	...	...	83	1,35	85
Total	...	...	45,58	49,26	57,37

Assets—

Giltedge	...	...	15,18	11,69	15,04
Debentures	...	...	7,05	13,92	16,69
Mortgages and Loans	...	...	18,17	18,91	19,17
Other Shares and investments	...	...	2,70	2,13	2,77
Cash	...	...	86	52	58
Outstanding Premium and Interests	...	...	1,62	1,88	3,12
Total	...	...	45,58	49,26	57,37

Profit & Loss Account.

Receipts—					
Brought in	...	...	34	29	23
Interest	...	...	7	7	7
Shareholders' share of valuation Surplus	...	...	...	...	...
Total	...	...	41	36	30

Disbursements—

Dividends to Shareholders	12	13	13
Carried forward	29	23	17
Total	41	36	30

NATIONAL INSURANCE COMPANY LTD.

(Established 1906)

Head Office : Calcutta.

The National Insurance Company was started in 1906 and owes its existence to the resurgent national feeling manifest throughout Bengal roundabout that year. The Company had made steady progress, making its appeal to the public by virtue of its low premium and safe investment policy. It occupies the third place amongst Indian life offices both in regard to volume of new business and in regard to the size of the life fund. The new business secured in 1934, came to Rs. 1.70 crores. The life fund at the beginning of the year was Rs. 2.04 crores and at the end of the year Rs. 2.25 crores. The total assets of the Company are Rs. 2.45 crores.

During the year 1934 the company received 11,269 new proposals for sums aggregating to Rs. 2.19 crores of which 8,553 proposals resulted into policies assuring a sum of Rs. 1.70 crores nearly. This new business constitutes a new high record

for the company and shows an increase of Rs. 2½ lakhs over the 1933 figure. The total premium income for the year amounted to Rs. 44.20 lakhs being an increase of Rs. 3.71 lakhs over the last year's amount. Interest income for the year has appreciated by Rs. 70,000 to Rs. 9.53 lakhs. On the disbursements side claims by death amount to Rs. 7.18 lakhs, matured policies took Rs. 9.5 lakhs, and surrenders paid amounted to Rs. 5.08 lakhs. Management expenses including commission absorbed Rs. 11.67 lakhs or 26.4 per cent. of the premium income. It is noteworthy that the company is gradually reducing its expense ratio. The life fund at Rs. 2.25 crores shows a substantial increase of Rs. 20½ lakhs.

The balance sheet of the company as on December 31, 1934, shows on the liabilities side a paid-up capital of Rs. 1 lakh, a life fund of Rs. 2.25 crores, outstanding liabilities of the life assurance fund amounting to Rs. 13.97 lakhs, general reserve fund of Rs. 2 lakhs, mortgage contingency reserve fund of Rs. 1.24 lakhs and a general investment reserve fund of Rs. 12,000. On the assets side, nearly 60 per cent. of the total assets amounting to Rs. 2.45 crores are invested in stock exchange securities. Giltedged securities amount to Rs. 36.73 lakhs or 15 per cent. of the total assets, bonds and debentures amount to Rs. 92.46 lakhs or 37.7 per cent., ordinary shares of joint stock companies (most of which being Imperial Bank of India shares and guaranteed Railway shares) account for Rs. 16.96 lakhs or 7 per cent. policy loans have absorbed Rs. 31.92 lakhs or 13 per cent., mortgage loans stand at Rs. 23.96 or 9.8 per cent., house properties amount to Rs. 24.72 lakhs or 10.1 per cent., and other miscellaneous assets including cash, outstanding premiums, outstanding interest etc. amount to Rs. 18.42 lakhs or 7.4 per cent. The distribution of assets is thus scattered over a wide range and satisfy very well the two canons of maximum yield and absolute safety of the capital invested. The investment policy of the company shows prudence as well as careful and scientific distribution of risks. The securities have been shown in the balance sheet at a value which is nearly Rs. 15 lakhs less than the market price on the date of the balance sheet, the difference constituting a considerable inner reserve.

The National has started a subsidiary company, the National Fire and General Insurance Company for the purpose of transacting fire and accident business. All the capital of the subsidiary company is held

by the National. The management of the Company is in the hands of Messrs. R. G. Das & Co., who have considerable business experience at Calcutta and Bombay.

Life Account.

		(In thousands of Rs.)		
New Business—				
		1932	1933	1934
Number (actual)	...	7,847	9,058	8,553
Amount	...	1,50,04	1,67,15	1,69,58
Premiums on New Business	...	7,48	7,30	6,80
Total premiums	...	36,77	40,49	44,20
Interest and dividends	...	8,95	8,83	9,53
Claims by death	...	5,88	6,54	7,18
Claims by maturity	...	6,92	8,14	9,50
Expenses	...	10,03	11,11	11,67
Life fund at the beginning of the year	...	1,49,68	1,82,17	2,04,07
Life fund at the end of year	...	1,82,17	2,04,07	2,24,62
Net increase in life fund	...	32,49	21,90	20,55
Ratio of expenses to premium	...	27.3%	27.4%	26.4%

Profit and Loss Account.

Receipts—				
Brought in ...	1,14	1,13	1,15	
Transferred from Revenue accounts ...	9	4	4	
Other items ...	4	11	8	
Total ...	1,27	1,28	1,27	

Disbursements—				
Dividend rate % ...	12	12	12	
Dividend amount ...	12	12	12	
Allocations ...	1	1	3	
Transferred to Balance Sheet ...	1,14	1,15	1,12	
Total ...	1,27	1,28	1,27	

Balance Sheet.

Liabilities—				
Capital ...	1,00	1,00	1,00	
Life fund ...	1,82,17	2,04,07	2,24,62	
Other funds ...	12,13	16,39	4,04	
Total funds ...	1,94,30	2,20,45	2,28,66	
Other items ...	4,73	1,60	15,51	
Total ...	1,99,03	2,23,05	2,45,17	
Assets—				
Giltedge securities ...	28,22	42,67	38,36	
Bonds ...	51,75	75,87	90,65	
Ordinary shares ...	28,10	14,89	14,19	
Loans on Life policies ...	27,88	30,32	31,92	
Other loans and mortgages ...	20,60	24,11	23,96	
House property ...	21,83	24,52	24,72	
Cash ...	13,67	3,91	5,58	
Other items ...	10,98	6,76	15,79	
Total ...	1,99,03	2,23,05	2,45,17	

NEW INDIA ASSURANCE CO., LTD.

(Established 1919).

The New India Assurance Company was incorporated in Bombay in 1919. It is the biggest in point of size, volume of general business, and paid-up capital amongst all the Indian Insurance companies. The Company was started in close association with the well-known firm of Tata Sons ; in fact, it was the latter that conceived the entire scheme and executed it in the most spectacular manner in the boom days of 1919. On the first directorate were associated, with representative of Tatas, almost every prominent businessman of Bombay. The Company had thus the unique fortune of starting business under most impressive auspices and with most influential connections. The capital of the Company, at the start, was nearly Rs. 1,20 lakhs ; but, at a later stage, it was felt that so large a capital was unnecessary and that two-fifths of the amount paid-up on each share should be refunded. The present capital of the New India is, therefore, Rs. 71.21 lakhs ; even at this reduced figure, it has the largest paid-up capital of any Indian Insurance Company. Till 1930, the Company was doing every manner of general insurance business but it did not transact life business. A Life Department has since been opened and the Company has been successful in attracting a substantial life insurance business, which shows sign of rapid progress. In the early years, the premium income of the general departments was derived predominantly from the foreign field. But in recent years, the percentage on Indian business to its total business has risen. In the year ending March 31, 1934 the fire premium income amounted to Rs. 34.8 lakhs and the Directors' report states that the American business showed a further substantial decrease. The Fire fund stood at Rs. 34.3 lakhs or 98½ per cent. of the premium income. The under-writing profit in the Fire Department was Rs. 4.48 lakhs, of which Rs. 1.78 lakhs was transferred to profit and loss account. In the Marine account, premium income totalled Rs. 19.36 lakhs and the Fund stood at Rs. 24.8 lakhs. The ratio of reserve to premium in the Marine section is thus as high as 128.1 per cent. and compares with 113.5 per cent. in the previous year. In the Accident Department, there was a premium income of Rs. 5.42 lakhs. A sum of Rs. 1.01 lakhs was transferred from the Accident account to General Profit and Loss Account. The

THE NEW INDIA ASSURANCE COMPANY LIMITED.

(INCORPORATED IN INDIA)
ESTABLISHED 1919



Board of Directors :

SIR N. B. SAKLATVALA, KT., C.I.E.
(Chairman)

F. E. DINSHAW, ESQ. (Vice-Chairman)

SIR LALUBHAI, SAMALDAS, KT., C.I.E.

THE HON'BLE SIR PHIROZE C. SETHNA,
KT., O.B.E.

SIR S. N. POCHKHANAWALLA, KT.

SIR CURSETJI N. WADIA, KT., C.I.E.

AMBALAL SARABHAI, ESQ.

D. F. BATLIWALA, ESQ.

SIR CHUNILAL V. MEHTA, K.C.S.I.

THE HON'BLE SIRDAR SIR SULEMAN
CASSUM MITHA, KT. C.I.E.,

J. D. GHANDY, ESQ.

RAMNIWAS RAMNARAIN.

AUTHORIZED CAPITAL	SUBSCRIBED CAPITAL	PAID-UP-CAPITAL
Rs. 6,00,00,000	Rs. 3,56,05,275	Rs. 71,21,055

TOTAL FUNDS Rs. 1,65,94,957

Classes of Business Transacted :

**FIRE INCLUDING LOSS OF PROFITS, LIFE ANNUITY, MARINE
TRANSIT, PERSONAL ACCIDENT AND SICKNESS, EMPLOYER'S
LIABILITY, THIRD PARTY, MOTOR VEHICLE, AIRCRAFT, ALL
RISK (JEWELLERY, Etc.), BURGLARY, PLATE GLASS, FIDELITY.**

*There is a "NEW INDIA" Policy designed to protect you against nearly every
hazard that exists today*

Head Office : ESPLANADE ROAD, BOMBAY

Calcutta Office : 100, CLIVE STREET

Branch Offices :

MADRAS—4, First Line Beach.

KARACHI—Machi Miani Road.

RANGOON—619, Merchant St.

LAHORE—38, The MALL

And Agencies throughout India, Burma, Ceylon and abroad.

reserve in this department stands at the satisfactory figure of 95.3 per cent. of premium income. In regard to life business, the Company was able to underwrite policies for Rs. 1.12 lakhs in 1933-34. The rate of dividend was maintained at 7.92 per cent, as against 7.5 per cent. in 1932-33. The shareholders of the Company, who had a pleasant surprise four years ago of getting a refund of Rs. 10 per share, can now have the satisfaction of having their funds invested in a company whose dividend earning capacity is progressively increasing. The Chairman of the Company is Mr. N. B. Saklatvala, C.I.E., of the firm of Tata Sons. The General Manager is Mr. R. J. Duff, an insurance man of great experience and organising ability.

Fire Account.

(In thousands of Rupees)

	1932	1933	1934
Premiums ...	42.05	44.38	34.79
Reserve at 40% of Premium ...	16.82	17.75	13.92
Additional reserve ...	16.40	17.65	20.35
Ratio of claims to Premium ...	57.3%	53.1%	56.8%
Ratio of expenses to Premium ...	42.3%	41.8%	45.1%
Total Reserve ...	33.22	35.40	34.27
Ratio of reserves to Premium ...	79.0%	79.8%	98.5%

Marine Account.

Premiums ...	22.84	20.71	19.36
Claims ...	19.30	16.98	14.66
Expenses ...	3.51	3.33	3.43
Total reserves ...	22.85	23.50	24.80
Ratio of claims to Premium ...	84.5%	82.0%	75.7%
Ratio of expenses to Premium ...	15%	16.1%	17.7%
Ratio of reserves to Premium ...	100%	113.5%	128.1%

Accident Account.

Premiums ...	5.95	5.18	5.42
Claims ...	2.71	2.58	1.95
Expenses ...	2.29	2.14	2.05
Reserve at 40% of Premium ...	2.38	2.38	2.17
Additional reserves ...	2.00	2.00	3.00
Total reserve ...	4.38	4.57	5.17
Ratio of claims to Premiums ...	45.5%	49.8%	36.0%
Ratio of expenses to Premiums ...	38%	41.4%	37.8%
Ratio of reserves to Premium ...	74%	88.2%	95.3%

Life Account.

	1932	1933	1934
New Business—			
Number of policies ...	38,63	50,15	53,90
Amount assured ...	80,99	1,05,22	1,11,67
Premium on new business ...	4,80	4,64	5,48
Total premiums ...	7,26	10,84	14,85
Claims by Death ...	31	124	124
Expenses ...	4,27	5,34	6,98
Life Fund at beginning of year ...	1,28	4,14	8,68
Life Fund at year-end ...	4,14	8,68	15,45
Net increase in funds ...	2,86	4,54	6,77
Ratio of expenses to Premium ...	59%	49.3%	47.0%

Balance Sheet.

Liabilities—

Capital ...	71,21	71,21	71,21
Fire Fund ...	33,22	35,40	34,27
Marine Fund ...	22,85	23,50	24,80
Accident Fund ...	4,38	4,57	5,17
Life Fund ...	4,14	8,68	15,45
Reserve Funds ...	6,22	6,30	7,26
Amounts due to other Companies ...	2,49	3,57	88
Outstanding claims ...	5,51	3,97	7,70
Other Liabilities ...	15,47	19,06	18,85
Total ...	1,65,49	1,76,26	1,85,59

Assets—

Giltedge Securities ...	79,71	94,87	1,03,87
Debentures and Preference Shares ...	14,01	8,55	8,36
U. S. A. Investments ...	19,96	21,02	22,23
Agency and branch Balances ...	11,63	11,19	1,59
Cash ...	15,68	18,73	12,44
Life assets ...	...	...	21,02
Other Assets ...	24,50	21,90	16,08
Total ...	1,65,49	1,76,26	1,85,59

Profit and Loss Account.

Receipts—

Brought in ...	1,76	2,01	2,03
Transferred from Fire account ...	1,58	1,05	1,78
Accident Account ...	70	45	1,01
Marine Account ...	14	69	88
Interest, etc. ...	4,21	4,22	4,22
Other receipts ...	28	9	19
Total ...	8,67	8,51	10,11

Disbursements—

Dividend rate % ...	7.5%	7.5%	7.92%
Dividend amount ...	5,34	5,34	5,64
Allocations ...	63	...	1,79
Other items ...	69	...	63
Carried forward ...	2,01	2,03	2,15
Total ...	8,67	8,51	10,11

ORIENTAL GOVERNMENT SECURITY LIFE ASSURANCE CO., LTD.

(Established 1874).

Head Office: BOMBAY.

Judged by any criterion, Oriental Government Security Life Assurance Company is far and out the biggest life office in India. Its progress during recent years is phenomenal and amazing. It has been beating record after record, all its own for there is not a single other Indian Life Office whose figures can approach anywhere near that of the Oriental. During the year 1934 the company received 60,218 proposals amounting to Rs. 10.69 crores and of this the policies issued amounted to 42,378 assuring a sum of Rs. 7.62 crores as against 38,191 policies assuring the sum of Rs. 7.04 crores in the year 1933. This amount is the highest recorded new-business of the company as well as any other company working in India. It may also be mentioned that the Oriental ranks about the tenth among the insurance companies of the world in the matter of ordinary life new-business effected in 1934. The premium on the new-business came to Rs. 36.69 lakhs while the total premium received amounted to Rs. 2.39 crores. Interest income was Rs. 71.52 lakhs and on the outgo side claims absorbed Rs. 1,02.50 lakhs and management expenses took Rs. 55.28 lakhs, working out an expense ratio of 23.0 per cent. Life fund was increased substantially by Rs. 1.23 crores to Rs. 15.15 crores.

The investment policy of the Oriental is of the most conservative kind—so conservative, indeed, that the Directors and management have come to feel that this policy is exercising considerable restriction in their choice of investments and that some liberalising is urgent and imperative. For the present, whatever is not invested in buildings and loans on policies is invested in giltedge securities. The securities are kept at or below cost price though the present market value of the same has considerably appreciated. In view of the fact that the company valued its liabilities on December 31, 1933, at an interest rate of $3\frac{1}{2}$ per cent, which is $\frac{1}{2}$ per cent. less than the rate used in the 1930 valuation, the Directors have revalued their stock exchange securities at the end of 1933 on the basis of a 5 per cent. gross yield and thereby increased the value of the assets by Rs. 52½ lakhs over the book value and

this released appreciation of securities has been utilised to increase the life fund. Even after this release, the book value of the securities was more than Rs. 2 crores below the market value as on December 31, 1933. The values of the securities are still kept at the same revalued price, though they have shown a further appreciation during the year under review. Besides this inner strength there is the investment reserve fund of Rs. 25 lakhs which is still kept intact though there is no need for the same at the present moment. Thus the recent balance sheet shows the unassailable and the great intrinsic strength of the company. The management is in the capable hands of Mr. H. E. Jones.

(In thousands of Rs.)

	1932.	1933.	1934.
New Business—			
Number actual	29,982	38,191	42,378
Amount ...	5,94,01	7,04,26	7,62,43
Premium on New Business ...	32,23	33,54	36,69
Total Premium ...	2,00,12	2,18,61	2,39,48
Interest ...	60,24	65,88	71,52
Claims—			
By Death ...	39,76	44,27	49,45
By Maturity ...	45,29	46,53	53,05
Total ...	85,05	90,80	102,50
Commission and expenses ...	42,08	47,32	55,28
Life Fund—			
(a) At beginning of the year ...	10,93,43	12,09,77	13,91,46
(b) At the end of the year ...	12,09,77	13,91,46	15,14,65
Increase in Funds	1,16,34	1,81,69	1,23,19
Ratio of expenses to premiums	21%	21.6%	23.0%

Balance Sheet.

Liabilities—			
Capital ...	6,00	6,00	6,00
Life Assurance Fund ...	12,09,77	13,91,46	15,14,65
Investment Reserve Fund ...	25,00	25,00	25,00
Contingencies Reserve Fund ...	5,51	5,51	5,99
Building Fund ...	1,91	2,07	2,25
Total Funds ...	12,48,19	14,30,04	15,53,89
Other Items ...	41,35	46,79	59,11
Total ...	12,89,54	14,76,83	16,13,00
Assets—			
Giltedge ...	9,06,86	10,37,00	11,73,27
Bonds ...	1,26,22	1,65,77	1,41,34
Policy Loans ...	1,49,38	1,60,06	1,72,71
House Property...	44,16	46,21	47,87
Other Items ...	50,95	55,54	52,38
Cash ...	11,97	12,25	15,43
Total ...	12,89,54	12,76,83	16,13,00

THE TRITON INSURANCE CO., LTD.

(Established 1850)

Head Office: CALCUTTA.

The Triton insurance Company, which is the oldest general insurance company registered in India, has, by adopting a policy of selecting the cleanest business and building the company on the cleanest financial foundations, reached a position to-day in which it is able to claim the enviable record of having as high a ratio of reserves to premiums as 486 per cent. It is no exaggeration to say that in all our studies of the balance sheets of world insurance companies, we have not come across a reserve position of this magnitude and strength. The capital of the Company stands at the modest figure of Rs. 5.75 lakhs. Its premium income is also at the unpretentious figure of Rs. 7.25 lakhs; but the reserve fund amounts to the colossal sum of Rs. 35.25 lakhs. The total resources of the Company are Rs. 50.90 lakhs, of which giltedge and cash amount to Rs. 47.8 lakhs nearly. The ratio of claims to premium is only 32.5 per cent.; and it was as low as 25 per cent. in 1930. The ratio of expenses to premium is 50.5 per cent. Owing to a favourable claims experience and owing to the large income from investments the surplus on 1934 account was 3.43 lakhs of which Rs. 2.3 lakhs was paid as dividends at the rate of 40 per cent., the carry forward being Rs. 78,000.

Revenue Account.

(In Thousands of Rs.)

	1932.	1933.	1934.
Premiums ...	6,52	6,57	7,25
Claims ...	2,73	2,89	2,96
Expenses ...	3,85	3,88	3,65
Reserve Funds ...	31,25	32,25	35,25
Ratio of Claims to Premiums ...	41.9%	36.4%	32.5%
Ratio of Expenses to Premiums ...	51.4%	51.5%	50.5%
Ratio of Reserves to Premiums ...	479%	491%	486%

Balance Sheet.

Liabilities—

Capital ...	5,75	5,75	5,75
General Reserve Fund for exceptional losses ...	26,75	26,75	26,75
Other Reserve Fund ...	8,50	8,50	8,50
Underwriting Suspense Account ...	3,10	3,18	3,65
Debts due by the Company ...	2,29	2,10	3,17
Other items ...	8,25	8,27	3,08
Total ...	49,64	49,50	50,90

Assets—

Giltedge Debts due to the Company ...	46,77	46,56	46,86
Cash ...	1,54	1,67	2,55
Other assets ...	67	60	66
	66	67	83
Total ...	49,64	49,50	50,90

Profit and Loss Account.

Receipts—

Brought forward ...	76	95	97
Interests, etc. ...	2,64	...	...
Transferred from underwriting a/c. ...	20	3,01	3,44
Total ...	3,60	3,96	4,41

Disbursements—

Dividend ...	2,80	2,80	2,90
Dividend Rate ...	40%	40%	40%
Allocation ...	85	69	1,33
Carry forward ...	95	97	78
Total ...	3,60	3,96	4,41

THE UNITED INDIA LIFE INSURANCE CO., LTD.

(Established 1906).

Head Office: MADRAS.

While Northern India and the Western Presidency have any number of indigenous life insurance offices, South India, till a few years ago, had only one life office of its own; but it had the satisfaction that the institution was a model and pattern of what a life insurance company should be. Those who have been in charge of the United India have, from the beginning, been guided by most wholesome insurance principles. They built the institution, brick by brick, with extreme care and with the thought that in each little part, the edifice should be sound and strong. Its investment policy has been most scientific; and there are no dud assets of any kind. There was a change in the plan of management of the Company a few years ago. And the new management coincided with the redrafting of the constitution of the Company on a basis which may well serve as the model for the Indian life offices. We believe that the Articles of Association of the United India are as near perfection as human ingenuity could make them. The policy-holders have a good voice in the directorate; and their interests are completely secured and guaranteed by the creation of the policy-holders' Trust Fund. The management is in the capable hands of Mr. M. K. Srinivasan. The life fund at the end of 1934 amounted to 54.86 lakhs;

THE UNITED INDIA LIFE ASSURANCE COMPANY, LIMITED

[Established in 1906]

Head Office : MADRAS

Trustee : THE OFFICIAL TRUSTEE OF MADRAS

Policies in force nearly	...	Rs. 3,00,00,000
Total Assets exceed	...	„ 68,00,000
Annual Income exceeds	...	„ 17,00,000

Among the distinguishing features of the Company are :

- Complete and absolute safety of Investments.
- Prompt and equitable settlements of claims.
- Economical management.
- Moderate premiums, combined with substantial bonuses.
- Efficient, sympathetic and prompt service to Policy-holders.

Full information readily furnished on application to the Head Office, Branches or the Representatives of the Company at the various places in our Country.

“United India Assurance Buildings,”

**Sembudoss Street,
MADRAS.**

M. K. SRINIVASAN,
Managing Director.

and there was an investment reserve fund of Rs. 5.9 lakhs. The new business of the Company is round about Rs. 80 lakhs ; and great vigilance is exercised in the selection of risks. The ratio of expenses has increased from 26 per cent. in 1930 to 32.8 per cent. 1931, 32.5 per cent. in 1933 and 33.0 per cent. in 1934. The valuation of the last quinquennium made as on 31st December, 1932 disclosed a surplus of Rs. 6.1 lakhs, and bonuses on a liberal scale have been declared, viz., Rs. 22-8 per Rs. 1,000 on Whole Life, and Rs. 18 per 1,000 on Endowment Policies.

(In thousands of Rs.)

	1932.	1933.	1934.
New Business—			
Number ...	3,325	4,774	54,77
Amount ...	49,66	66,41	79,76
New Premiums ...	2,39	3,00	3,82
Total Premiums ...	10,37	12,76	15,75
Claims ...	2,71	3,43	3,95
Commission and Expenses ...	3,21	4,15	5,20
Life Fund at the beginning of the year ...	36,83	42,36	47,65
Life Fund at end of the year ...	42,36	47,65	54,86
Net increase in the Fund ...	5,53	5,29	7,21
Ratio of Expenses to Premium ...	31.0%	32.5%	33.0%

Balance Sheet.

Liabilities—			
Capital ...	79	79	79
Life Fund ...	42,36	47,65	54,86
Investment Reserve Fund ...	5,94	5,92	5,91
Outstanding Claims	1,25	1,84	2,01
General Fund ...	32	43	59
Other items ...	2,11	3,29	4,21
Total	52,77	59,92	68,37

Assets—

Giltedge Securities	28,43	29,53	25,17
Debentures and Preference Shares ...	1,21	1,21	1,21
Equity Shares ...	41	41	70
Fixed Deposits ...	9,00	8,30	14,75
Loans on Life Policies ...	4,61	6,96	8,96
Other Loans and Mortgages ...	2,98	5,12	8,74
House Properties ...	...	...	2,49
Other Assets ...	5,10	5,80	4,84
Cash ...	1,03	2,59	1,41
Total ...	52,77	59,92	68,37

**THE
WESTERN INDIA LIFE INSURANCE
CO., LTD.**

(Established—1913)

Head Office:—SATARA CITY.

The Western India Life Insurance Company is a clean and compact life office with a steady volume of clean business and with a satisfactory growth of life fund year by year. At 1934-end, the life fund stood at 50.99 lakhs, the increase over the previous year being Rs. 8.7 lakhs. In addition to the life fund, the company has a reserve fund which now stands at Rs. 6 lakhs nearly. The expense ratio is low at 23.8 per cent.

The last valuation of the company was made as on 31st December, 1932, and a surplus of Rs. 5 lakhs nearly was made in spite of more stringent basis being used. The actuary has recommended the distribution of a simple reversionary bonus of Rs. 25 per thousand per annum on whole life policies and Rs. 20 per thousand per annum on endowment policies. A Chief Agency of this company was opened in Calcutta in 1932.

New Business—

(In Thousands of Rs.)

	1932.	1933.	1934.
Number ...	3,051	3,259	3,616
Amount ...	37,13	37,49	40,52
New Premiums ...	1,96	1,78	1,84
Total Premiums ...	9,38	10,51	11,65
Claims ...	1,68	2,26	2,20
Expenses and Commission ...	2,27	2,50	2,77
Life fund at the beginning of the year ...	28,47	35,19	42,32
Life fund at the end of the year	35,19	42,32	50,99
Net increase in fund ...	6,72	7,13	8,67
Ratio of Expenses to Premiums ...	24.2%	23.8%	23.8%

Balance Sheet.

Liabilities—			
Capital ...	68	68	68
Life fund ...	35,19	41,97	50,99
Reserve funds ...	6,26	5,86	5,82
Outstanding claims	98	1,69	1,46
Other liabilities ...	1,69	3,22	2,74
Total ...	44,75	53,42	61,69

Assets—

Investment ...	88,84	45,65	58,81
Loans on policies	8,46	8,95	4,75
Other loans and			
Mortgages ...	48	28	81
House Property ...	29	29	15
Other assets ...	2,18	8,25	2,67
Total ...	44,75	58,42	61,69

THE ZENITH LIFE ASSURANCE COMPANY, LIMITED.

The Zenith Life has largely overcome the handicap of young companies by devising attractive plans of business suited to the requirements of the prospective Indian insurers. The Peerless Policy, the Everyman Policy and the Swaraj Policy bear eloquent testimony to the ingenuity of Mr. Hormusjee in this direction. In 1934 new business underwritten by the Company came to Rs. 29.37 lakhs, the premium income to Rs. 5.32 lakhs and the total income to Rs. 5.91 lakhs. After meeting all th outgo, a net sum of Rs. 2.09 lakhs was available towards increase in the life fund. The following table gives, at a glance, the progress of the Company in the last six years.

	Life Funds Rs.	Increase in the Year Rs.
1929	5,45,710	1,07,095
1930	6,91,592	1,45,881
1931	6,94,478	2,886
1932	9,82,576	2,88,097
1933	11,42,812	1,60,236
1934	13,51,974	2,09,162

The Company has confined its investments entirely to Government of India and Trust Securities. The results of the valuation for the year 1932 are very encouraging and show the first steps on the way to progress. The valuation disclosed a surplus of Rs. 38,262, which on the recommendation of the Actuary, the Directors propose to distribute as follows:—Reserve Fund Rs. 5,000; Reversionary bonus to participating policyholders Rs. 25,232; Dividend to shareholders Rs. 3,750 and balance to be carried forward Rs. 4,280.

(In thousands of Rs.)

New Business—

	1932.	1933.	1934.
No. of Policies ...	1,193	1,483	1,508
Sum Assured ...	23,70	27,65	29,37
Premium on new business ...	1,08	1,21	1,19

(In thousands of Rs.)

	1932.	1933.	1934.
Total Premium ...	4,44	4,88	5,32
Claims by death ...	85	80	75
Claims by maturities	50	31	26
Commission and Ex- penses ...	2,12	2,65	2,64
Life Fund at begin- ning of year ...	6,94	9,83	11,43
Life Fund at year- end ...	9,83	11,43	13,52
Increase ...	2,88	1,60	2,09
Ratio of Expenses to Premium ...	47.7%	54.3%	49.6%

Balance Sheet.

Liabilities—

Capital ...	50	50	50
Life Fund ...	9,83	11,43	13,52
Reserve Funds ...	8	13	77
Outstanding Liabili- ties and Claims	89	99	99
Premium Deposits	8	10	11
Total ...	11,38	13,15	15,89

Assets—

Giltedge ...	8,35	10,56	12,95
Loans on Policies	83	96	1,13
Cash ...	1,37	53	53
Other items ...	83	1,10	1,28
Total ...	11,38	13,15	15,89

As we go to Press we have received the follow-
ing statement of figures on 30th April 1935 of
the Lakshmi Insurance Company:—

Rs. A. P.

Life Fund		59,12,899	6	4
Premium Income				
Single premium	46,995	12	0	'
Annuities	837	3	0	
First year less				
Reinsurance	4,80,565	1	0	
Renewals less				
Reinsurance	15,57,211	7	5	
		20,85,609	7	0
Income from				
Investments				
less Income				
Tax at source		2,81,453	7	0
Claims:				
By maturity	58,780	0	0	
By death	2,88,718	9	3	
		3,47,498	9	3
Expenses of				
management		7,10,031	13	8
Reserves:				
General Reserve	2,00,000	0	0	(Newly created)
Investment				
Reserve	1,19,382	14	9	
Shareholder divi- dend R. F.	4,300	0	0	
Policyholders' Bonus				
Reserve Fund	17,162	6	9	
		3,40,845	5	6

Investments:

Govt. Securities	23,28,085	6	0
Postal Certificates	9,465	5	0
Govt. guaranteed and rebate			
guaranteed Railway			
Shares and Reserve			
Bank Shares	66,696	10	0
Building	11,48,352	6	9
Mortgages	17,21,191	7	8

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

BRITISH INSURANCE COMPANIES

ALLIANCE ASSURANCE CO., LTD.

(Established—1824).

The Alliance Assurance Company, with its total funds equivalent to £38 million at the end of 1934, is one of the bigger giants of the British insurance world. The outstanding feature of the Alliance is that alike in the kinds of business transacted and the distribution of assets, the utmost regard is paid to correct proportion and balance. No one department is disproportionately small or big in relation to any other. And each department is accounting for a substantial business and discloses assured growth. The premium income of the combined life account was £1.413 million in 1934. The net premium income in the fire section was £2.06 million. The marine accounts yielded £.33 million. Accident and Miscellaneous sections accounted for a total premium income of £1.20 million. By the same token, the investments are well-distributed, due regard being had to safety and satisfactory yield. The financial, investment and reserve policy of the Directors is conservative in the best sense of the term. While there is cause for gratification that 87½ per cent. of the marketable securities of the Alliance are within the British Empire, and only about 12½ per cent. are spread over the rest of the world, prudence demands the strengthening of the reserves in such a way as to mitigate the effects of lower interest yields on the bonus-paying capacity of the Company. With this end in view, the Directors have decided that of the surplus disclosed in the valuation, as much as £823,337 should be carried forward. This is more than double the amount that was brought in at the beginning of the quinquennium, the latter amount being £380,960.

In the fire section, a development of recent years is the constantly increasing pressure that is brought to bear on the large composite companies to undertake risks of

a specially hazardous nature such as earthquake, volcanic eruption, hurricanes, etc. Acceptance of this call of business may mean extra risk ; and with a view to eliminate the danger of any unduly heavy losses occurring in any one year, the additional reserve of the fire department has been strengthened by the allocation of £100,000 out of the profits of 1934. Despite such a rigorous policy as regards building of reserves, the Company has been able, as a result of the trading operations of the year, to provide for all outgoings of every kind, to maintain the dividend, and to provide for a carry-forward of almost the same amount to the next year's account. An achievement of this character in a year in which the reserves have been increased by something like a quarter of a million reflects the highest credit on the skill and efficiency of management.

Life Account.

		(In thousands of £)		
New Business—		1932	1933	1934
Number of policies	...	5,258	5,120	5,070
Amount	...	3,836	3,421	3,590
Premiums on New Business	...	332	213	174
Total Premiums	...	1,501	1,447	1,434
Interest Dividend and Rents	...	901	874	881
Claims by death	...	963	1,015	907
Claims by maturity	...	511	575	612
Commission and expenses	...	149	144	143
Life fund at the beginning of the year	...	21,747	22,292	22,504
Life fund at year end	...	22,292	22,504	22,786
Increase in fund	...	545	212	282
Ratio of expenses to premium	...	9.9%	9.95%	9.9%

Annuity Account.

	(In thousands of £)		
	1932	1933	1934
Consideration for annuities granted ...	227	214	211
Interest Dividends and Rents ...	43	44	48
Annuities paid ...	94	105	115
Commission and expenses ...	5	5	5
Annuity funds at beginning of the year ...	999	1,159	1,282
Annuity funds at year end ...	1,159	1,282	1,411

Fire Account.

Premiums ...	2,057	2,019	2,057
Claims ...	770	702	688
Expenses ...	902	901	945
Reserve at 40% of premium income ...	823	807	823
Additional Reserve ...	2,000	2,100	2,200
Total Reserves ...	2,823	2,907	3,023
Ratio of claims to premium ...	37.4%	34.8%	33.5%
Ratio of expenses to premium ...	43.9%	44.6%	45.9%
Ratio of reserve to premium ...	137.2%	144.0%	146.9%

Marine Account.

Premiums ...	422	338	334
Claims ...	314	204	224
Expenses ...	115	116	104
Reserve ...	725	750	1,057
Ratio of reserve to premium ...	171.8%	221.9%	316.4%
Ratio of expenses to premium ...	27.2%	34.3%	31.1%
Ratio of claims to premium ...	74.4%	60.4%	67.1%

Accident and Miscellaneous Account.

Premiums ...	1,162	1,159	1,205
Claims ...	620	563	575
Expenses ...	457	455	478
Reserve ...	1,179	1,182	1,222
Ratio of claims to premium ...	53.4%	48.6%	47.7%
Ratio of expenses to premium ...	39.3%	39.3%	39.7%
Ratio of reserve to premium ...	101.5%	102.0%	101.4%

Balance Sheet.

Liabilities—			
Capital ...	1,703*	1,703*	1,703*
Funds:			
Life ...	22,292	22,504	22,786
Annuity ...	1,159	1,282	1,411
Sinking and capital redemption ...	1,823	1,972	2,122
Fire ...	2,823	2,907	3,022
Marine ...	1,124	1,103	1,057
Accident ...	1,179	1,182	1,222
Reserve fund ...	1,100	1,200	1,350
Other funds ...	899	594	638
Outstanding claims ...	927	933	933
Other items ...	1,876	2,058	1,834

(*Includes capital stock of subsidiary companies).

Assets—

Giltedge securities ...	10,090	12,786	12,860
Debentures and preference shares ...	6,222	6,453	7,116
Other stocks and shares ...	956	846	807
Shares in subsidiary companies ...	1,103	1,103	1,103
Loans on company's policies ...	2,428	2,286	2,097
Other loans and mortgages ...	11,967	10,091	10,092
Cash ...	602	338	369
Other items ...	3,537	3,535	3,634
Total ...	36,905	37,438	38,078

Profit and Loss Account.

Receipts—			
	(In thousands of £)		
	1932	1933	1934
Brought in ...	1,230	1,240	1,231
Transferred from fire account ...	460	410	432
Transferred from marine account ...	105	75	91
Transferred from accident a/c. ...	157	185	171
Other items ...	149	183	190
Total ...	2,101	2,093	2,115

Disbursements—

Dividends ...	476	475	483
Transferred to reserve fund ...	100	100	150
Other items ...	285	287	262
Carried forward ...	1,240	1,231	1,220
Total ...	2,101	2,093	2,115

ATLAS ASSURANCE CO., LTD.

(Established 1808).

Head Office: London.

Bombay Office: Dougall Road,
Ballard Estate.

Calcutta Office: 4, Clive Row.

Atlas Assurance Company, is one of the big composite insurance companies of England doing extensive foreign business in Life, Fire, Marine and Accident branches. The results of the year's operations are very satisfactory with appreciable increase in the premium incomes of all the departments, reductions in the claim ratio and increases in the underwriting profits. The total premium income of the company from all its branches amounted to £3.531 million and the total assets stand at £17 million nearly.

The new business of the life department at £3.245 million is £391,000 more than that of the previous year. The total premium income of the year was £1.026 million and the interest income £469,000. The life fund was increased by nearly £1 million to £11.145 million. The expense ratio has fallen to 13.0 from 13.5. In the fire department the premium income at £1.776 million was £17,000 more than that of the previous year; and the loss ratio went down by nearly 5½ per cent. thereby enabling the release of the considerable sum of £166,000 as underwriting profits. The reserves at £2.02 million is 114 per cent. of the premium income. The accident premiums have increased by £35,000 to £496,000 and the profits earned amounted to 9.5 per cent. of the premium income. Accident fund stands at £418,000 or 87 per cent. of the premium income. The strong position of the marine reserves amount to 348 per cent. of the premium income which is noteworthy.

The profit and loss account shows a total available sum of £595,000 including the balance of £238,000 brought forward from last year's account and after payment of dividends at 32 per cent. and other allocations, a sum of £246,000 is carried forward to the next year's account.

Life Account.

(In thousands of £)

	1932.	1933.	1934.
New Business—			
Policies No. ...	3,497	3,813	5,117
Sum Assured ...	3,415	2,854	3,245
Premium ...	131	139	180
Total Premium ...	930	975	1,026
Claims by death ...	269	243	282
Claims by Maturity ...	143	160	198
Expenses ...	128	132	134
Life fund at the beginning of the year ...	7,904	9,064	10,147
Life fund at the end of the year ...	9,064	10,147	11,145
Net increase ...	1,160	1,083	998
Ratio of expenses to Premium ...	13.8%	13.5%	13.0%

Fire Account.

Premiums ...	1,908	1,759	1,776
Claims ...	1,032	847	760
Expenses and Commission ...	875	851	843
40% of Reserves for expired Risks ...	763	704	710
Additional reserve ...	1,312	1,311	1,311
Total reserve ...	2,075	2,015	2,021
Ratio of claims to Premium ...	54.1%	48.2%	42.8%
Ratio of expenses to Premium ...	45.86%	48.3%	47.5%
Ratio of reserves to Premium ...	108.8%	114.5%	113.9%

Employers' Liability, Accident and General Insurance Account.

Premiums ...	461	461	496
Claims ...	229	221	226
Expenses and Commission ...	192	191	209
40% of Reserves for unexpired risks ...	184	184	198
Additional Reserve ...	208	218	220
Total Reserve ...	392	402	418
Ratio of claims to Premium ...	49.7%	47.9%	45.6%
Ratio of expenses to Premium ...	41.6%	41.4%	42.0%
Ratio of reserves to Premium ...	85.0%	87.2%	84.3%

Marine Insurance Account.

Premiums ...	135	113	115
Claims ...	34	22	19
Expenses and Commission ...	14	14	16
Total Reserve ...	369	380	401
Ratio of claims to Premium ...	25.3%	19.5%	16.7%
Ratio of expenses to Premium ...	10.7%	12.4%	13.9%
Ratio of Reserves to Premium ...	273.3%	336.3%	348%

**Sinking Fund and Capital Redemption
Insurance Account.**

	1932	1933	1934
Premiums ...	49	256	48
Claims ...	61	16	48
Expenses and Com- mission ...	2	4	2
Total reserve ...	390	635	654
Ratio of expenses to Premium ...	4.1%	4.1%	4.1%

Profit and Loss Account.

Balance brought For- ward ..	193	214	238
Interest not carried to other accounts (nett) ...	128	115	178
Profit from Fire a/c.	49	120	166
Profit from employ- ers' liability acci- dent and general account ...	45	53	47
Profit from sinking fund and capital redemption a/c.	8	...	...
Allocations ...	39	97	125
Dividend ...	176	176	176
Balance carried for ward ...	214	238	246
Dividend rate % ...			
Interest dividend etc.,	32	32	32

Balance Sheet.

Liabilities—

Capital ...	550	550	550
Life Assurance and annuity fund ...	9,064	10,148	11,145
Fire insurance fund	2,075	2,015	2,022
Employers' liability accident and General Insurance funds ...	392	402	413
Marine Insurance fund ...	369	380	401
Sinking fund and capital redemption fund ...	390	635	654
Other Reserves ...	502	385	393
Outstanding claims	295	316	267
Other items ...	1,123	1,138	1,189
Total ...	14,760	15,969	17,039

Assets—

Investments ...	11,471	10,884	11,576
Mortgages and Loans	960	1,729	2,159
Loans on company's policies ...	535	489	461
Branch and agents' Balances ...	630	593	574
Cash ...	680	868	869
Other Items ...	484	1,406	1,400
Total	14,760	15,969	17,039

**CALEDONIAN INSURANCE
CO., LTD.**

(Established 1805)

Head Office: EDINBURGH.

Calcutta Office: B-3, CLIVE BUILDINGS.

The Caledonian is the oldest Scottish insurance office, and transacts all classes of insurance business. The accounts of the company for the year ending December 31, 1934 show that the premium incomes of marine, personal accident and life department have suffered slight backward movement compared to the results of the previous year. However the underwriting profits of the motor and personal accident section have increased. The life department shows steady and continuous expansion.

The new life business for the year under review amounts to 2,466 policies assuring a sum of £1.606 million representing an increase of 510 policies and £134,000. The total premiums received amount to £538,000 and the ratio of expenses to the premium income works out to 16.9 per cent. The life and annuity fund has been increased by £117,000 to £7.495 million. The triennial valuation of the life liabilities and assets as on December 31, 1933, revealed a surplus of £449,000 which was sufficient to declare a bonus of 42 sh. per cent. per annum on whole life policies and 40 sh. per cent. per annum on endowment policies, to allot a sum of £37,000 to shareholders and to carry forward a sum of £103,000 unallotted.

The fire premiums have increased by £14,000 to £754,000. The total reserves of this department at £802,000 are 106.4 per cent. of the premium income.

The general and motor premiums have increased by £8,000 to £408,000. Here also the loss ratio has considerably fallen by about 6 per cent. to 55.8 per cent. and the underwriting profits of the motor section alone appear as £20,000 or 6.8 per cent. as against 4.1 per cent. in the previous year. In the marine account, though the premiums are down by about £4,000, the department has been able to transfer £25,000 to the profit and loss account. The marine fund stands at the high level of £178,000 or nearly 183 per cent. of the premium income.

The total assets as shown in the balance sheet amount to £10.676 million representing an increase of £74,000. The dividend paid to the shareholders was 15sh. per share of £1 paid-up, less tax.

Life Account.

(In thousands of £)

	1932	1933	1934
New Business—			
Number of Policies ...	1,887	1,956	2,466
Sum assured ...	1,239	1,472	1,606
Premiums on new business ...	84	76	59
Total Premium Income ...	558	557	588
Interest ...	286	265	294
Claims by death ...	276	225	255
Claims by maturity ...	195	197	287
Commission and Expenses ...	85	88	91
Life, Annuity and Contingency Fund at beginning of year ...	7,028	7,225	7,378
Life, Annuity and Contingency Fund at year-end ...	7,225	7,378	7,495
Increase in Fund ...	197	153	117
Ratio of expenses to Premium ...	15.2%	15.7%	16.9%

Fire Account.

Premiums ...	809	740	754
Claims ...	451	377	357
Expenses ...	360	347	352
Reserve at 40% of Premium ...	324	296	302
Additional reserve ...	500	500	500
Total reserve ...	824	796	802
Ratio of claims to Premium ...	54.5%	51.0%	47.8%
Ratio of expenses to Premium ...	44.4%	46.9%	46.6%
Ratio of reserve to Premium ...	101.8%	107.6%	106.4%

Accident Account.

Premiums ...	11	12	10
Claims ...	4	7	
Expenses ...	4	5	
Reserve at 40% of Premium ...	4	5	
Additional reserve ...	8	7	
Total reserve ...	12	12	
Ratio of claims to Premium ...	36.4%	56.3%	53.1%
Ratio of expenses to Premium ...	36.4%	43.1%	43.5%
Ratio of reserve to Premium ...	109%	100%	90%

Employers' Liability Account.

Premiums ...	88	88	88
Claims ...	25	20	21
Expenses ...	14	14	15
Reserve at 40% of Premium ...	15	14	15
Additional reserve ...	59	58	26
Total reserve ...	74	72	41
Ratio of claims to Premium ...	65.7%	57.2%	53.7%
Ratio of expenses to Premium ...	87%	88.5%	89.0%
Ratio of reserve to Premium ...	195%	200%	108%

General and Motor Insurance Account.

Premiums ...	447	400	408
Claims ...	818	247	228
Expenses ...	192	168	166
Reserve at 40% of Premium ...		160	163
Additional reserve ...		145	150
Total reserve ...		305	313
Ratio of claims to Premium ...	71.1%	61.8%	55.8%
Ratio of expenses to Premium ...	43.2%	42%	40.6%
Ratio of reserve to Premium ...		76%	76.7%

Balance Sheet Including Life Department

	1932	1933	1934
Liabilities—			
Capital ...	155	155	155
Life Insurance, Annuity and Contingency Fund ...	7,225	7,491	7,608
Fire Insurance Fund ...	824	796	802
Accident Insurance Fund ...	12	12	10
Employers' Liability Insurance Fund ...	74	72	67
Annuities certain and leasehold Redemption Fund ...	98	162	171
General Insurance Fund ...	310	305	313
Marine Insurance Fund ...	187	176	178
General Reserve Fund ...	500	500	525
Staff Insurance and Pension Fund ...	105	110	...
Total funds ...	9,335	9,624	9,674
Other items ...	841	824	847
Total ...	10,331	10,603	10,676

Assets—			
Giltedge ...	3,833	1,876	1,572
Debenture and preference shares ...	2,351	896	851
Equity shares ...	847	84	82
Mortgages and loans ...	1,468	4	2
Other investments and Cash ...	167	270	122
Life assets ...		7,491	7,608
Total ...	10,331	10,602	10,676

Profit and Loss Account.

	1932	1933	1934
Receipts—			
Brought in ...	142	100	152
Transferred from—			
Life account ...		37	23
Fire account ...	44	82	78
Accident ...			2
Marine ...	25	25	25
Employers' Liability Account ...		4	3
General Insurance Account ...		15	25
Other items ...	36	23	...
Total ...	247	286	308

Disbursements—			
Dividend amount ...	87	...	90
Allocations ...	5	...	35
Other items ...	55	39	26
Carried forward ...	100	247	157
Total ...	247	286	

THE COMMERCIAL UNION**ASSURANCE CO., LTD.****(Established 1861).**

Bombay Office : 9, Wallace St., Fort.

Calcutta : 32, Dalhousie Square.

The Commercial Union Assurance Company is one of the biggest composite insurance companies of not only the United Kingdom but of the whole world. It transacts immense volume of insurance business of a wide range of varieties in almost all parts of the world. In fire and accident insurance business, Commercial Union has been topping the list of all the British companies for the past ten years and more. The gigantic size of the company can well be gauged by the fact that its paid-up capital amounts to £3.54 million, its general reserve fund amounts to £3.86 million, that its total premium income from all departments for the year 1934 amounts to £16 million nearly and its total assets exceed £6 million. The Commercial Union controls, as its name implies, important subsidiary companies like the "Ocean Accident," the "Union," the "British General," the "West of Scotland," the "Edinburgh,"

the "Hand in Hand" and the "Palatine." Some of these subsidiary companies are very old and powerful by themselves.

The new business of the life department has been increased by £700,000 to £4.631 million while the total premiums show an insignificant fall at £1.763 million owing to the decrease in the simple premiums received during the year. The expense ratio continues to be kept at the low figure of 12.9 per cent. The life fund has been increased by nearly £1.3 million to £22.885 million. The fire account shows a premium income of £5.375 million being a decrease of £42,000 compared with the 1933 figure. The fire losses have decreased considerably by 4.2 per cent. and consequently the company has been able to show a profit of £442,000 or 8.2 per cent. of the premium income as against 7.2 per cent. in the previous year. The reserves of the department at the end of the year stand at £6.876 million or 128 per cent. The accident department which is the largest of its general branches, shows an increase of £447,000 in the premium income which stands at £7.437 million. The profits of the department amounts to £9,140 or 0.1 per cent. of the premium income. The reserves amount to £5.451 million. In

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the marine department continuous strengthening of the reserves is being carried on and the marine fund at £1.160 million, is 214 per cent. of the premium income as against 221 per cent. last year. The regular profit margins of this department are also noteworthy, the profit of the year being £150,000.

Life Account.

New Business

(In Thousands of £)

Number of policies in Life Department ...	7,246	6,990	7,437
Amount assured in Life Department ...	3,986	3,931	4,631
New premiums in Life Department ...	224	292	284
Total premiums in Life Department ...	1,657	1,771	1,763
Interest from Life Department ...	846	816	905
Claims from Life Department ...	1,040	1,054	1,306
Commission and expenses of Life Department ...	207	222	227
Fund of Life Department at beginning of year ...	19,267	20,601	21,566
Fund of Life Department at year-end ...	20,601	21,566	22,885
Increase in fund ...	1,334	965	1,319
Ratio of expense to premium in Life Department ...	12.4%	12.5%	12.9%

Fire Account.

Premiums ...	6,018	5,417	5,375
Claims ...	3,264	2,498	2,252
Expenses ...	2,923	2,557	2,444
Reserve at 40% for unexpired risks ...	2,407	2,167	2,150
Additional reserve ...	4,517	4,759	4,728
Total reserves ...	6,925	6,926	6,876
Ratio of claims to Premium ...	54.2%	46.1%	41.9%
Ratio of expense to Premium ...	48.5%	47.1%	45.5%
Ratio of reserve to Premium ...	115%	127.8%	127.9%

Marine Account.

Premiums ...	587	534	543
Claims ...	318	253	278
Expenses ...	164	152	133
Reserve ...	1,202	1,180	1,160
Ratio of claims to Premium ...	54.1%	47.4%	51.2%
Ratio of expenses to Premium ...	27.9%	28.7%	24.7%
Ratio of reserve to Premium ...	204.7%	221.0%	214%

Accident Account.

Premiums ...	7,161	6,940	7,425
Claims ...	4,128	3,824	4,133
Expenses ...	3,114	3,024	3,089
Ratio of claims to Premium ...	57.6%	55.1%	55.7%
Ratio of expenses to Premium ...	43.5%	43.6%	41.6%
Ratio of Reserve to Premium ...	75%	77.1%	73.4%

Consolidated Balance Sheet

Liabilities—

Capital ...	3,540	3,540	3,540
Debentures ...	2,279	1,470	
General reserve fund ...	4,267	3,834	3,862

Funds.

Fire ...	6,925	6,926	6,876
Marine ...	1,202	1,180	1,160
Accident ...	5,346	5,348	5,451
Life ...	29,203	21,566	22,885
Total funds ...	46,943	38,854	40,224
Other items ...	8,083	16,262	17,836
Total ...	60,845	60,126	61,009

Assets—

Giltedge securities ...	19,891	10,312	11,056
Debentures and preference shares ...	13,462	9,380	8,619
Equity shares ...	922	546	763
Mortgages and Loans ...	5,790	694	631
Life Assets ...		30,077	31,192
Other investments and other items ...	15,584	6,336	6,405
Cash ...	3,488	2,780	2,943
Total ...	60,845	60,125	61,009

Profit and Loss Account—

Receipts—

Brought forward ...	558	562	587
Transferred from Fire account ...	150	150	475
Marine account ...	150	150	150
accident account ...		90	100
Life account ...	36	35	35
Interests, dividends and rents ...	965		821
Other items ...	58	66	61
Total ...	1,917	1,952	2,229

Disbursements—

Dividend rate per cent. ...	41	41	41
Dividend amount ...	1,110	1,116	1,143
Allocations ...	20	40	290
Other items ...	780	209	212
Carried forward ...	562	587	584
Total ..	1,917	1,952	2,229

THE GENERAL ACCIDENT, FIRE, & LIFE ASSURANCE CORPORATION, LTD.

(Established 1885)

Head Office : London

Calcutta Office : 8, HARE STREET.

The General Accident, Fire and Life Assurance Corporation is one of the leading composite insurance companies of the

United Kingdom. For its age, the progress achieved by the Corporation, particularly by its accident and general branch (which is the largest of all its departments, covering every class of casualty business at home and abroad) must be considered truly remarkable. The total premiums for the year 1933, from all its branches exceed £8 million and the total assets at the end of the year exceed £15 million. The premium incomes from all its branches show considerable appreciations during the year under review.

The new business of the life branch has been increasing steadily year after year and during the year 1934, it amounted to £2,840 million showing a rise of £531,000. The life fund at the end of the year stands at £4,069 million.

The accident and general account premiums have risen by £460,000 to £6,852 million. The losses experienced are slightly lower than in the last year, with the result that underwriting profits of the department at £246,000 has increased from 1.4 per cent. to 3.6 per cent. of the premium income. The accidents fund is kept at £5,772 million or 84.2 per cent. of the premium income.

The notable feature in the workings of the fire department is the further big drop of 8.5 per cent. in the fire losses of the year and the consequent release of a much higher percentage (23.0 per cent.) of trading profits. The fire premiums at £593,000 shows an increase of £44,000 over the 1933 figure. The total reserves of the department are kept at £496,000 or 84 per cent. of the premium income.

The marine account shows a small increase of £16,000 in the premium income which amounts to £139,000. The marine fund stands at £140,000 or 101 per cent. of the premium income.

The profit and loss account shows a total available sum of £1.137 million including the balance of £486,000 brought-forward from last year's accounts. After paying dividends to the shareholders and other allocations a sum of £675,000 is carried forward unappropriated. The Corporation's total assets amount to £10.740 million and the combined assets of the whole group stand at £15.102 million.

Accident Accounts.

(£,000's omitted)

	1932.	1933.	1934.
Premiums ...	6,231	6,392	6,852
Claims ...	3,802	3,748	3,981
Commission and Expenses ...	2,274	2,331	2,448
40% Reserve ...	2,312	2,387	2,564
Additional Reserve	2,950	3,101	3,208
Total Reserve ...	5,262	5,488	5,772
Ratio of Claims to Premiums ...	60%	61%	58.1%
Ratio of Expenses to Premiums ...	36.5%	36.5%	35.7%
Ratio of Reserves to Premiums ...	84.5%	85.9%	84.2%

Life Accounts.

New Business—			
Amount ...	1,864	2,309	2,840
Total Premiums ...	420	492	493
Claims ...	236	314	283
Expenses and Commission ...	90	101	103
Life Fund at the beginning of the year ...	3,368	3,589	3,784
Life Fund at the end of the year ...	3,589	3,784	4,069
Increase in the Life Fund ...	221	195	285

Fire Account.

Premiums ...	549	549	593
Claims ...	286	222	189
Expenses and Commission ...	229	231	250
40% for unexpired risks ...	220	220	237
Additional Reserves	279	289	259
Total Reserve ...	499	489	496
Percentage of Claims to Premiums ...	52%	40.4%	31.9%
Percentage of Expenses to Premiums ...	...	42.1%	42.1%
Percentage of Reserves to Premiums	91%	89%	83.6%

Marine Account.

Premiums ...	138	121	139
Claims ...	89	88	120
Expenses ...	12	12	16
Reserves ...	126	134	140
Percentage of Claims to Premiums ...	64	73%	85%
Percentage of Expenses to Premiums	9	10%	11.8%
Percentage of Reserves to Premiums	91	111%	100.5%

Balance Sheet.

Liabilities—				
Capital		688	688	
Life and Annuity Fund	...	3,589	3,784	4,069
Fire Fund	...	489	489	496
Accident and General Insurance Fund	...	5,262	5,488	5,772
Marine Fund	...	128	134	140
Investment Reserve Fund	...	775	925	940
General Reserve Fund	...	750	750	900
Total Funds	...	12,667	11,570	12,317
Other Liabilities	...	913	1,815	2,097
Total	...	13,580	14,073	15,102

Assets—				
Giltedge Debentures and Preference Stocks	...	3,299	3,167	3,517
Equity Shares	...	4,400	4,808	5,055
Mortgages and Loans	...	873	860	866
Free-hold and Leasehold Properties	...	1,257	1,209	1,285
Outstanding Premium and Agency Balances	...	1,430	235	225
Other Assets	...	1,120	1,133	1,218
	...	1,201	2,661	2,936
Total	...	13,580	14,073	15,102

Profit & Loss Account.

Receipts—				
Brought Forward	...	474	489	486
Interest, Dividends and Rents	...	243	245	258
Transferred from Fire Account	...	55	95	136
Transferred from Accident and General Account	...	225	87	246
Other Items	...	17	143	11
Total	...	1,014	1,059	1,137

Disbursements—				
Dividend Rate %	...	56	56	...
Amount	...	193	193	86
Allocations	...	280	160	160
Carried Forward	...	489	599	675
Other Items	...	72	107	216
Total	...	1,014	1,059	1,137

GUARDIAN ASSURANCE CO., LTD.

(Established 1821)

Head Office : London.

Indian Office : 8, Clive Row, Calcutta.

Established as long ago as in 1821 this company transacts all kinds of insurance business. Associated with the Guardian are : (1) Guardian Insurance Company of Canada ; (2) Reliance Marine Insurance Company, Ltd. ; (3) Guardian Eastern Insurance Company, Ltd. ; (4) Scottish

Plate Glass Insurance Company, Ltd. ; and (5) Hibernian Fire and General Insurance Company, Ltd.

The accounts also include the transactions of the Albingia Versicherungs Aktiengesellschaft of Hamburg, most of the share capital of which company has been acquired by the "Guardian" during 1932. The life account for the year 1934 shows that the new business at £1.776 million shows a substantial rise of £228,000. The expense ratio stands at the same low level of 13.7 per cent. The life fund has been increased by £279,000 to £7.701 million.

Dividend for 1934 was maintained at the rate of 10s. per ordinary share (10s. paid-up) and 10s. on each staff share, both subject to income-tax.

Total funds amount to £11.4 million and total resources to 15.25 million.

Life Account.

New Business—				
(In thousands of £)				
No.	1932	1933	1934	
Sum assured	1,902	1,955	1,983	
Premiums on new business	1,648	1,548	1,776	
Total Premium	146	99	74	
Claims and annuities	606	611	612	
Expenses and commission	454	450	508	
Life Fund at beginning of year	84	84	84	
Life Fund at year-end	6,722	7,063	7,422	
Net increase in Life Fund	7,063	7,422	7,701	
Ratio of expenses to premium	341	359	279	
	13.9%	13.7%	13.7%	

Fire Account.

Premiums	...	1,193	1,277	1,110
Claims	...	562	640	457
Expenses	...	536	575	535
Reserve for unexpired risks	...	597	597	555
Additional reserves	...	1,047	1,047	1,048
Total Reserve	...	1,644	1,644	1,603
Ratio of claims to premium	...	47.1%	50.1%	41.2%
Ratio of expenses to premium	...	45.0%	45.0%	48.2%
Ratio of reserve to premium	...	137.8%	128.9%	144.4%

Accident, Burglary and General Account.

Premiums	...	1,196	1,110	1,091
Claims	...	595	582	514
Expenses	...	541	524	502
Reserve for unexpired risks	...	538	500	491
Additional reserve	...	395	405	403
Total Reserve	...	933	905	
Ratio of claims to premiums	...	50.0%	52.4%	47.1%
Ratio of expenses to premiums	...	45.2%	47.2%	46.0%
Ratio of reserve to premiums	...	78.0%	81.5%	81.9%

Marine Account.

Premiums	...	256	252	245
Claims	...	201	53	63
Expenses	...	69	71	66
Reserve	...	465	453	455
Ratio of claims to premiums	...	78.5%	21.0%	25.8%
Ratio of expenses to premiums	...	27.0%	28.2%	27.0%
Ratio of reserve to premiums	...	181.6%	180%	180.6%

Balance Sheet as at 31st December.

Liabilities—		1932	1933	1934
Capital	...	1,025	1,025	1,025
Funds—				
Life	...	7,056	7,422	7,701
Fire	...	1,644	1,686	1,603
Accident, Burglary and General	...	933	905	904
Marine	...	465	453	455
Redemption Assurance Fund	...	230	446	471
General reserve	...	182	182	219
Total funds	...	12,230	11,570	11,353
Other items	...	2,039	2,118	2,867
Total	...	14,269	14,713	15,245
Assets—				
Giltedge securities	...	3,484	5,317	5,154
Debentures and Preference shares	...	2,428	2,863	4,084
Equity shares	...	463	525	826
Loans on life policies	...	375	360	338
Other loans and mortgages	...	3,197	2,312	2,415
Other items	...	3,754	2,766	1,967
Cash	...	568	570	461
Total	...	14,269	14,713	15,245

Profit and Loss Account.

Receipts—				
Brought in	...	17	18	101
Transferred from—				
Fire account	...	125	46	191
Life account	...	...	...	19
General and Accident account	...	65	89	68
Marine account	...	9	31	32
Other items	...	306	160	32
Total	...	522	344	443
Disbursements—				
Dividend amount	...	197	200	205
Allocations	...	...	...	51
Other items	...	307	130	34
Carry forward	...	18	14	153
Total	...	522	344	443

THE LIVERPOOL AND LONDON AND GLOBE INSURANCE CO., LTD.

(Established 1836)

Head Office : 1, Dale Street, Liverpool.

Established in 1836, this Company transacts extensive business in all parts of the Globe. It is associated with the Royal Insurance Company Limited and also controls a number of subsidiary Companies.

The profit earnings of the Company continue to be satisfactory. New life business registered in increase of £256,000. The Fire Insurance Account showed a net premium income of £3.96 million and a profit £415,000 which was carried to Profit and Loss Account. The Reserve Fund in this Department is equivalent to 84.8% of the premium income. The Miscellaneous Insurance Account showed a profit of £47,000 as against a loss of £47,000 in the previous year and maintains a reserve equivalent to 139.6% of the premiums which shows an increase of 9.2 per cent. over 1933. The Marine Account has a reserve in respect of unexpired risks equivalent to 146.4% of the premiums. The Profit and Loss account shows a total available sum of £1.493 million including £5,46,000 brought forward from last year's account. Dividends paid amounted to £560,000 and a sum of £597,000 was carried forward to next year's account.

The Company's position continues strong with total funds amounting to £26.8 millions out of the total assets of £30 millions.

The principal classes of business transacted in India are Fire, Motor Vehicle and other classes of Miscellaneous Accident business including Workman's Compensation, also Life and Marine business.

Life Account.**New Business—**

		(In thousands of £)		
		1932	1933	1934
Number of policies	...	3,801	3,592	4,407
Amount	...	2,069	2,169	2,369
New premiums	...	124	127	127
Total premiums	...	819	849	867
Claims	...	539	575	713
Interest	...	389	390	407
Commission and expenses	...	88	85	92
Funds at beginning of the year	...	9,472	9,954	10,311
Funds at year-end	...	9,954	10,311	10,573
Increase	...	482	362	262
Ratio of expenses to premium	...	10.7%	10.0%	10.6%
Annuity fund	...	708	741	773

Fire Account.

Premiums	...	4,095	3,931	3,961
Claims	...	2,060	1,779	1,625
Expenses	...	1,955	1,834	1,910
Reserve at 40% of premium	...	1,638	1,572	1,584
Additional reserve	...	1,775	1,775	1,775
Total reserve	...	3,413	3,347	3,359
Ratio of claims to premium	...	47.7%	45.3%	41.0%
Ratio of expenses to premium	...	50%	46.7%	48.2%
Ratio of reserve to premium	...	83.3%	85.1%	84.8%

Marine Account.

Premiums	...	295	285	282
Claims	...	243	230	230
Expenses	...	35	32	33
Reserve at 40% of premium	...	118	114	113
Additional reserve	...	300	300	300
Total reserve	...	418	414	413
Ratio of claims to premium	...	82.4%	80.7%	81.6%
Ratio of expenses to premium	...	11.9%	11.2%	11.8%
Ratio of reserve to premium	...	142%	145.3%	146.4%

Miscellaneous Account.

Premiums	...	1932	1933	1934
Claims	...	4,859	4,635	4,484
Expenses	...	3,392	2,835	2,827
Reserve at 40% of premium	...	1,885	1,754	1,167
Additional reserve including liability in respect of outstanding claims	...	1,944	1,854	1,793
Total reserve	...	4,006	4,188	4,468
Ratio of claims to premium	...	5,950	6,043	6,261
Ratio of expense to premium	...	69.8%	61.2%	63.1%
Ratio of reserve to premium	...	38.8%	37.8%	37.3%
Ratio of reserve to premium	...	122%	130.4%	139.6%

Balance Sheet.

Liabilities—

Capital	...	1,062	1,062	1,062
4% Perpetual Debenture Stock	...	550	550	546
4% "Thames and Mersey" Debenture Stock	...	371	371	368
Funds, fire	...	3,413	3,347	3,359
Funds, life	...	9,954	10,316	10,573
Annuity fund	...	708	741	773
Leasehold Redemption Fund	...	172	200	207
Marine Reserve Fund	...	418	414	413
Miscellaneous Insurance Reserve Fund	...	5,950	6,043	6,261
General Contingencies Fund	...	2,700	2,513	2,455
Other funds	...	790	752	819
Total funds	...	24,068	24,423	24,860
Other items	...	2,950	3,237	3,164
Total		29,001	29,643	30,000

Assets—

Giltedge	...	10,155	13,817	14,460
Debenture and Preference shares	...	9,970	8,568	8,394
Equity shares	...	1,362	1,225	1,179
Mortgages and loans	...	1,663	1,717	1,504
Other investments and other items	...	3,619	3,528	3,366
Cash	...	2,232	788	1,067
Total		29,001	29,643	30,000

Profit and Loss Account.

Receipts—

Brought in	...	572	534	370
Transferred from fire account	...	234	370	415
Transferred from members Life profits account	...	23	26	26
Transferred from Marine account	...	28	27	20
Transferred from Miscellaneous Accident account	...	...	...	47
Interest	...	473	405	4,40
Other items	...	68	68	...
Total	...	1,275	1,316	1,493

Disbursements—

Dividend amount	...	842	551	560
Allocations	...	70	70	185
Other items	...	129	149	151
Carry forward	...	534	546	567
Total	...	1,275	1,316	1,493

THE LONDON ASSURANCE CORPORATION

(Established 1720)

Head Office : LONDON

Calcutta Office : CLIVE BUILDINGS, CLIVE STREET.

The Corporation is one of the few oldest insurance companies of England, transacting all forms of insurance business having its branches spread over a large part of the Corporation from all departments exceeded £4½ millions during the year 1934 and the total assets at the end of the year stood at nearly £16.622 million.

The new business of the life department at £2.376 million has made a further advance of £70,000 and this is a record in the history of the Corporation. The total premium income amounted to £743,000 and the net interest income to £306,000. The life fund has been substantially increased by £561,000 to £8.239.

The fire premiums increased by £42,000 to £2,075 million and the improvement in the claims ratio from 50.7 per cent. in 1933 to 45.5 per cent. in the year under review, has enabled the Corporation to release a profit of £147,000 or 7.1 per cent. of the premium income as against 4.6 per cent. in the previous year. The total reserves of the department are kept at 84 per cent. of the premium income.

The accident premiums at £1.163 million register an increase of £30,000 compared to last year. The marine account has been further strengthened and the reserves of the department stand at 1/6 per cent. of the premium income.

The profit and loss account shows a total profit transfer of £401,000 from all the departments and including the balance brought forward from last year's account and the interest not credited to other accounts, the total available sum amounted to £882,000. After payment of dividends and other allocations, a sum of £406,000 was carried forward to the next year.

Life Account.

(In thousands of £)

	1932.	1933.	1934.
New Business—			
Number of policies ...	2,522	2,726	3,021
Amount ...	2,170	2,306	2,376
Premiums on New Business ...	116	99	122
Total Premiums ...	683	692	743
Interest ...	297	288	306
Claims and annuities	898	873	888
Commission and expenses ...	99	103	109
Life fund at beginning of the year ...	6,677	7,123	7,658
Life fund at year-end	7,123	7,658	8,239
Increase in fund ...	446	535	581
Ratio of expenses to Premium ...	14.4%	14.9%	14.7%

Fire Account.

Premiums	2,549	2,033	2,075
Claims	1,456	1,031	945
Expenses	1,191	950	975
Reserve at 40%	1,020	813	830
Additional reserve	905	915	915
Total reserve	1,925	1,728	1,745
Ratio of claims to Premium	57.1%	50.7%	45.5%
Ratio of expenses to Premium	46.7%	46.7%	47 %
Ratio of reserve to Premium	75.5%	85 %	84.1%

Marine Account.

Premiums	950	678	690
Claims	658	530	526
Expenses	115	127	131
Reserve	986	841	800
Ratio of claims to Premium	68.7%	78.8%	76.2%
Ratio of expenses to Premium	12.1%	18.9%	19.0%
Ratio of reserve to Premium	103.7%	125 %	116 %

General Accident Account.

Premiums	1,223	1,133	1,163
Claims	782	679	693
Expenses	434	415	397
Reserve	641	613	625
Ratio of claims to Premium	63.1%	59.9%	59.5%
Ratio of expenses to Premium	35.6%	36.6%	34.2%
Ratio of reserve to Premium	52.4%	54.1%	53.7%

Balance Sheet.

Liabilities—

Capital	...	912	912	912
FUNDS:—				
Life	...	7,123	7,658	8,239
Fire	...	1,925	1,728	1,745
Marine	...	986	841	800
General accident	...	641	613	625
Capital and leasehold redemption fund	...	482	514	555
General reserve fund	...	1,460	1,535	1,585
Total funds	...	12,617	12,889	13,549
Other items	...	2,224	672	2,161
Total	...	15,753	14,473	16,622

Assets—

Giltedge	...	6,083	6,696	7,173
Debentures and Preference shares	...	2,924	3,201	3,427
Equity shares	...	344	332	580
Mortgages and loans	...	1,845	1,541	1,320
Other investments and other items	...	4,100	3,680	3,336
Cash	...	457	494	786
Total	...	15,753	15,944	16,622

Profit and Loss Account.

Receipts—

Brought in	...	363	365	386
Transferred from life account	...	20	20	20
Transferred from fire account	...	27	147	201
Transferred from marine account	...	171	198	100
Transferred from Accident account	...	...	...	80
Other items	...	171	189	95
Total	...	752	914	882

Disbursements—

Dividend amount	...	324	235	239
Allocations	...	50	115	175
Other items	...	168	178	62
Carry forward	...	210	386	406
Total	...	752	914	882

THE LONDON AND LANCASHIRE INSURANCE CO., LTD.

(Established 1861)

*Head Office : LONDON**Calcutta Office : 2, FAIRLIE PLACE**Bombay Office : 15, ELPHINSTONE CIRCLE.*

The London and Lancashire is now one of the largest of the composite British Insurance Companies and has absorbed a large number of subsidiary companies not only in the United Kingdom but also abroad. There are as many as five in the United Kingdom, three in U. S. A., five in Canada, six in Australia and one each in Holland, South America and South Africa. It transacts in its own name all classes of business with the exception of life which is carried on, in the name of "Law Union and Rock" a company acquired in 1919. In India it transacts only the general branches of insurance.

The results of the company for the year 1934 are very satisfactory showing increases in the premium incomes of every department, and good underwriting profits in all the sections. The combined premium income of all the three departments amounted to £5.894 million having increased by £354,000 compared with the last year's figure. The trading profits have increased to £600,000 (or 102 per cent.) from £587,000 in 1933.

The new business of the life section at £2.365 million shows a slight increase over the last year's figure. The life fund at the end of the year stands at £11.026 million. Generous reserves are provided for in each section; 124 per cent. of the premium income in the fire department, 89 per cent. of the premium income in the accident department and 137 per cent. of the premium income in the marine department.

New Business—*(In thousands of £)*

	1932.	1933.	1934.
Amount assured	2,298	2,365	2,681
Premiums on business	100	64	...
Total premium income	723	695	698
Interest	417	488	417
Claims by death	380	357	419
Claims by maturity	380	323	359
Commission and expenses	121	122	125
Life Fund at beginning of the year	10,716	10,791	10,979
Life Fund at year-end	10,791	10,979	11,026
Increase	+75	+188	+47
Ratio of expenses to premium	16.7%	17.6%	17.9%

Fire Account.

Premium	...	2,872	2,768	2,842
Claims	...	1,812	1,109	1,085
Expenses	...	1,810	1,220	1,244
Reserve for unexpired risks	...	1,149	1,108	1,187
Additional reserve	...	2,400	2,400	2,400
Total reserve	...	3,549	3,508	3,587
Ratio of claims to premium	...	45.7%	40.1%	38.2%
Ratio of expenses to premium	...	45.6%	44.1%	43.8%
Ratio of reserve to premium	...	123.6%	123.1%	124.4%

Accident and General Account.

Premium	...	2,028	1,912	2,028
Claims	...	1,252	1,072	1,023
Expenses	...	871	824	855
Reserve for unexpired risks	...	810	765	811
Additional reserve	...	800	800	1,000
Total reserve	...	1,610	1,565	1,811
Ratio of claims to premium	...	61.3%	56.1%	50.4%
Ratio of expenses to premium	...	43.1%	43.1%	42.2%
Ratio of reserve to premium	...	79.6%	81.8%	89.8%

Marine Account.

Premium	...	1,102	858	1,024
Claims	...	831	645	633
Expenses	...	189	144	154
Reserve for unexpired risks	...	411	343	410
Additional reserve	...	900	900	1,000
Total reserve	...	1,341	1,243	1,410
Ratio of claims to premium	...	75.4%	75.1%	61.9%
Ratio of expenses to premium	...	17.1%	16.8%	15.0%
Ratio of reserve to premium	...	121.7%	144.9%	136.7%

Balance Sheet.**Liabilities—**

Capital	...	1,456	1,456	1,456
5% Debenture Stock	...	611	...	...
Reserve Fund	...	1,500	1,500	1,500
Fire Fund	...	3,549	3,508	3,537
Marine Fund	...	1,341	1,244	1,410
Accident Fund	...	1,610	1,565	1,811
Staff Pension Fund	...	323	333	418
Life Assurance Fund	...	10,791	10,979	11,156
Total funds	...	19,114	19,129	19,832
Balance of Profit and Loss account	...	1,788	2,130	2,205
Claims and balances outstanding	...	4,289	4,096	2,219
Other items	...	241	223	1,866
Total	...	27,440	27,084	27,578

Assets—

Buildings	...	1,637	1,188	1,550
Giltedge	...	8,386	10,908	12,792
Debentures and Preference shares	...	5,221	7,403	6,573
Mortgages and loans	...	3,915	3,668	3,200
Other Investments	...	5,492	1,591	1,592
Cash	...	2,868	2,281	1,871
Total	...	27,440	27,084	27,578

Profit & Loss Account.

Receipts—

	1932.	1933.	1934.
Brought in ...	1,511	1,788	2,180
Underwriting profit From Fire Account	816	414	388
Underwriting profit from Marine Account	160	128	134
Underwriting profit from Accident and General Account ...	Nil.	44	78
Other receipts ...	5	...	115
Life profits ...	32	32	17
Interest ...	509	400	497
Total ...	2,533	2,847	3,359

Disbursements—

Dividend amount ...	569	570	588
Allocations ...	226	147	424
Other items ...	Nil.	Nil.	142
Carried forward ...	1,788	2,130	2,205
Total ...	2,533	2,847	3,359

NORTH BRITISH & MERCANTILE
INSURANCE COMPANY

(Established 1809)

Head Office : EDINBURGH AND LONDON

Calcutta Office : 101/1, CLIVE STREET

Bombay Office : 276, HORNBY ROAD

The North British & Mercantile Insurance Company is one of the oldest Scottish insurance companies and with its world-wide organisation doing splendid business, it can easily be classed among the most powerful of British insurance companies. The company has during recent years acquired important subsidiary companies. The present company "North British & Mercantile" transacts only the two most important branches of insurance, namely, life and fire insurance; accident business is done by "Railway Passengers Assurance Company;" marine business by "Ocean Marine Insurance Company" and all other classes of business by "Fine Art and General Insurance Company". The accounts for the year 1934 show that the company has completed an year of exceptionally good results and that most of the figures compare favourably with those of the previous year. The aggregate premium income of all the departments and subsidiary companies amounts to the huge sum of £8.503 million and the interest income to nearly £2 million. The total assets stand at nearly £51 million.

The new business of the life department at 10,308 policies and 5.286 million compare favourably with 8,709 policies and £4.603 million in 1932. The total premium income amounts to £2.209 million and the considerations received for annuities exceed £1 million. The life fund was increased by £751,000 to £29.633 million, and the annuity fund has appreciated by £345,000 to £6.779 million. It is noteworthy that the expense ratio stands at 16.8 per cent. during the year 1933.

The fire premiums at £3.366 million have appreciated slightly. Though the premium income of this department is still far below its previous high levels, to record an increase over the last year's figures in these difficult times is an achievement which only a few of the larger offices can boast of. The fire losses have substantially decreased by 5 per cent. and underwriting profits have increased by 4 per cent. to 13.6 per cent. The reserves are kept at £3.346 million or nearly 100 per cent. of the premium income.

The accident premiums as shown by the "Railway Passengers" account have increased slightly to £1.125 million, but the profits are kept at the usual high level being 12.7 per cent. of the premium income. The funds stand at £896,000 and the total separate assets of this company amount to £2.998 million. The premium incomes of the other two accounts also have increased slightly, and the profit-earning capacity is kept up.

Life Account.

(In Thousands of £)

	1932	1933	1934
New Business—			
Number ...	7,639	8,709	10,308
Amount ...	3,993	4,603	5,286
Premium on New Business ...	224	332	285
Total Premium ...	2,189	2,319	2,290
Interest ...	1,186	1,173	1,169
Claims by Death ...	914	899	869
" " Maturity ...	654	742	869
Commission and Expenses ...	366	376	385
Life fund at beginning of year ...	26,604	27,695	28,882
Life fund at year-end ...	27,695	28,882	29,633
Increase in fund ...	1,091	1,187	751
Ratio of Expenses to Premium ...	16.7%	16.2%	16.8%
Annuity fund ...	5,186	5,984	6,779

Fire Account.

Premiums	...	3,277	3,301	3,366
Claims	...	1,706	1,459	1,826
Expenses	...	1,498	1,512	1,556
Reserve at 40% for un-				
expired risks	...	1,311	1,320	1,346
Additional reserve	...	2,000	2,000	2,000
Total reserve	...	3,311	3,320	3,346
Ratio of Claims to				
Premium	...	45.7%	45.8%	46.2%
Ratio of Expenses to				
Premium	...	101%	100.6%	99.4%

"Ocean Marine" Account.

Premiums	...	252	214	213
Claims	...	189	112	98
Expenses	...	32	31	31
Reserve	...	...	...	782
Ratio of claims to				
Premium	...	75%	52%	14.7%
Ratio of Expenses to				
Premium	...	12.6%	14.4%	14.7%
Ratio of Reserve to				
Premium	...	...	...	367%

Fine Art and General Account

Premiums	...	327	319	324
Claims	...	158	154	144
Expenses	...	140	138	137
40% Reserve	...	131	128	130
Additional Reserve	...	200	200	200
Total Reserve	...	331	328	330
Ratio of Claims to				
Premium	...	48.3%	48.3%	44.5%
Ratio of Expenses to				
Premium	...	42.8%	43.3%	42.1%
Ratio of Reserve to				
Premium	...	101.2%	102.8%	101.8%

"Railway Passengers" Account.

Premiums	...	1,108	1,083	1,125
Claims	...	538	509	501
Expenses	...	463	456	464
Reserve at 40%	...	443	433	450
Additional Reserve	...	465	468	446
Total Reserve	...	908	901	896
Ratio of Claims to				
Premium	...	48.5%	47%	44.6%
Ratio of Expenses to				
Premium	...	41.8%	42.1%	41.2%
Ratio of Reserve to				
Premium	...	81.9%	83.2%	79.6%

Balance Sheet**Liabilities—**

Capital	...	2,438	2,438	2,438
Funds of Life	...	27,695	28,882	29,633
Funds of Fire	...	3,311	3,320	3,346
Sinking fund	...	311	474	506
Other funds	...	6,727	7,414	8,280
Total funds	...	38,044	40,090	41,765
Other items	...	5,062	6,317	6,687
Total	...	45,564	48,845	50,890

Assets—

Life and Annuity				
branches	...	33,703	35,654	37,783
Giltedge	...	3,756	5,291	5,500
Debentures and Pre-				
ference Shares	...	1,435	2,459	2,556
Equity Shares	...	4,408	2,930	2,955
Mortgages and loans	...	3	5	1
Other investments and				
other items	...	1,789	2,117	1,487
Cash	...	470	389	608
Total	...	45,564	48,845	50,890

Profit & Loss Account.

Receipts—				
Brought in	...	3,173	3,127	3,331
Transfers from Fire				
account	...	214	321	458
Transfers from Life				
Annuity and Sink-				
ing Fund	...	...	...	...
Other items	...	501	714	573
Total	...	3,888	4,162	4,362

Disbursements—

Dividend rate %	...	92%	92%	92%
Dividend Amount	...	532	532	582
Allocations	...	50	50	50
Other items	...	685	249	87
Carry forward	...	2,621	3,331	3,643
Total	...	3,888	4,162	4,362

NORWICH UNION LIFE INSURANCE SOCIETY.

(Established 1808)

Head Office : Norwich.

Calcutta : Grahams Trading Co., Ltd.

Post Box 147.

Norwich Union Life is one of the old and powerful Mutual Life Offices of England and it may also be mentioned that it is one of the few foreign life offices that has established a stronghold in Indian Life Insurance business. It has got a world-organisation and nearly 40 per cent. of its business is transacted outside United Kingdom. Its total Indian business in force amounts to the substantial sum of Rs. 8 crores nearly. In 1925 the society purchased from Phoenix, the Norwich Union Fire Insurance Society. The total income of the society during the year 1934 amounted to the substantial sum of £6.389 million and the total outgo to £4.337 million leaving a balance of more than £2 million to be utilised, increasing the total funds to £40.674 million.

The new business of the society increased by 1,172 policies and by £1,238,000 to 15,814 policies assuring a sum of £10.172 million. The total premium income amounted to £4.076 million. The ratio of actual to expected death claims was only 67 per cent. and the expense ratio has slightly increased to 15.3 per cent. from 149 per cent. in the previous year. The life fund has advanced from £35.235 million in 1933 to £35.069 million. The total assets amount to £40.933 million.

The society thus leaves little to be desired among the strongest and soundest policy and can, therefore, be easily reckoned among the strongest and soundest life life assurance companies of the British Empire.

Life and Annuity Account.

	(000 omitted £)		
	1932.	1933.	1934.
New Business—			
No. of policies ...	12,954	14,642	15,814
Net sums insured ...	8,010	8,834	10,172
Net new premiums ...	532	617	830
Life Premiums ...	3,601	3,737	4,076
Consideration for annuities ...	397	259	436
Interests and dividends ...	1,616	1,566	1,637
Net rate % earned on Funds ...	4-15-11	4-12-5	4-11-10
Claims (Life) ...	2,255	2,228	2,639
Annuities paid ...	150	177	201
Surrenders (Life) ...	733	680	603
Commission and expenses (Life) ...	506	558	625
Percentage of expenses to annual premiums ...	14.64	14.97	15.3%
Percentage of new to Total premiums	14.78	16.5	20.3%
Fund at the beginning of the year ...	32,966	35,065	37,032
Fund at the end of the year ...	35,065	37,032	39,177
Increase in the year	2,099	1,967	2,145
Capital Redemption Account :			
Premiums ...	120	111	99
Interest and dividends ...	54	54	55
Claims ...	39	47	174
Surrenders ...	162	68	62
Commission and expenses ...	7	7	7
Fund at the end of the year ...	1,543	1,581	1,467

Total assets as per Balance Sheet for the year ended 31st December, 1934, amounted to £40,932,729, as against £38,846,030 in the previous year.

PEARL ASSURANCE CO., LTD.

(Established 1864)

Head Office : High Holborn, London.

Bombay : York Building, Hornby Rd.

Calcutta : Andrew Yule & Co.,

Clive Row.

The "Pearl" is one of the biggest and soundest insurance companies of the United Kingdom. The annual report and accounts of the company for the year ending December 31, 1934 show the remarkable progress achieved by every department. The total premium income from all the sources at £14.225 million have appreciated by £665,000 over the 1933 figure. The total assets at £85 million nearly, have been increased by £52 million nearly.

The new business of the ordinary life department at £8.342 million shows a slight decrease and the life fund at £36.1 million show a substantial rise of £2 million. The annual valuation of the ordinary life assets and liabilities has revealed a surplus of £1.463 million out of which a simple reversionary bonus of £2 per cent. per annum has been granted to all the with-profit policyholders. The very low expense ratio of 10.4 per cent. of this department is noteworthy.

The industrial life section which is the biggest of the company shows a new business of over £20 million, and a premium income of £7.903 million. The fire premiums have decreased slightly to £757,000 and the fire losses have also increased by 5% to 45.6 per cent. But the department was able to show a good underwriting profit of £67,000 or 8.9 per cent as against 7.7 per cent. in the previous year.

The premium incomes of the other three minor accounts show appreciable increases while good trading profits are shown in two of them and in the other namely the Motor account, a slight loss of £8,000 has been experienced. The total assets are scheduled at £85.014 million representing an increase of £5.34 million.

Life (Ordinary Branch).

	(000 omitted £)		
New Business—			
No. of policies ...	41,002	44,361	53,887
Net sums assured ...	7,618	8,762	8,342
Net new premiums...	557	746	637
Life fund at the end of the year ...	32,316	34,274	36,104
Net interest earned	£4-10-8	£4-6-10	£4-7-0

Life (Industrial) Account.

Premium income ...	7,255	7,443	7,903
Fund at the close of the year ...	31,595	33,991	36,559

Fire Account

Premium ...	5,02	776	757
Claims paid and outstanding ...	2,94	310	345
Commission and expenses ...	2,22	297	352
Percentage of claims to premiums ...	58.53	39.9%	45.6%
Percentage of expenses premium ...	44.33	38.2%	46.6%
Underwriting profits after allowing 40% for unexpired risks	-18	60	67

Accident Account.

Premiums ...	75	77	82
Claims paid and outstanding ...	36	38	29
Commission and expenses ...	17	15	17
Percentage of claims to premiums ...	48.60	49.9	35.3%
Percentage of expenses to premium	22.91	19.4	20.4%
Underwriting profits after allowing 40% for unexpired risks	20	23	34

Employer's Liability Account.

Premiums ...	20	22	26
Claims paid and outstanding ...	11	9	12
Commission and expenses ...	9	9	10
Percentage of claims to premiums ...	55.82	42.5	45.7%
Percentage of expenses to premiums ...	45.61	39.5	37.9%
Underwriting profits after allowing 40% for unexpired risks (actual amount)...	-278	3	2

Motor Account.

Premiums ...	94	110	147
Claims paid and outstanding ...	59	54	82
Expenses ...	38	48	58
Percentage of claims to premiums ...	62.71	49.3	56.2%
Percentage of expenses to premiums ...	41.09	43.5	39.4%
Underwriting profits after allowing 40% for unexpired risks (act) ...	-601	1	-8

General Account

Premiums ...	62	113	142
Claims paid and outstanding ...	33	49	69
Expenses and commission ...	25	46	58
Percentage of claims to premiums ...	53.58	43.5	48.8%
Percentage of expenses to premiums	40.91	40.8	40.7%
Underwriting profits after allowing 40% for unexpired risks	-9	-3	-3

Profit and Loss Account

Interest receipts ...	41	51	12
Shareholders' life profits ...	508	537	586
Net underwriting profits ...	-7	25	35
Dividend rate for year (tax-free) ...	44.2%	46.5%	47.0%
Amount of Dividend (ordy.) ...	530	558	592

Total assets as shown by the Balance-sheet for the year ended 31st December, 1933 is £79,673,559 as against £74,083,473 in the pre-

THE PRUDENTIAL ASSURANCE CO. LTD.

(Established 1848)

Head Office : London

Calcutta Office Clive Buildings,
Calcutta

The Prudential is the largest insurance institution of the British Empire and one of the biggest insurance companies of the world. An idea of its gigantic size can easily be gained from the fact that the total income of the Company from all sources during the year 1934 was £50.9 million or Rs. 68 crores nearly and its total assets £290.5 million or Rs. 387 crores.

The ordinary life branch of the Company shows remarkable progress in every respect. The new business has appreciated by £2.5 million to £24.0 million (Rs. 32 crores). The total premiums received amount to nearly £12½ million and the ordinary life fund was substantially increased by £2.22 million to £113.29 million. The annual valuation of the company's liabilities and assets at the end of 1934 has revealed a surplus of £3.3 million which has enabled the company to declare a reversionary bonus of 2.3 per cent. on whole life policies and 2 per cent. on endowment policies.

The industrial life branch which is the largest section of the company shows a new business of 2.34 million policies assuring a sum of £60.34 million. The total premium income of this section for the year under review amounted to £20.26 million and the industrial life fund at the end of the year stood at £155.28 million.

The general branch is not so big as the other two branches, as the company began to transact this class of business at a much later period. The total premiums received during the year 1934 under all sections of the general branch amounted to £3.12 million which marks a big increase of £400,000 compared with the 1933 figure and the total assets of the general branch at the end of the year amounted to £5 million nearly.

The distribution of assets as shown in the consolidated balance sheet indicates the sound and cautious policy of investment pursued by the Prudential. There can be no doubt that the facts and figures contained in the Accounts and Balance sheet of the Company are sufficient to convince even a layman of the gigantic magnitude of the Prudential Assurance Company and of its solid strength and soundness. The Prudential is the bulwark of British Insurance.

Life Account.

(In thousands of £).

	1932.	1933.	1934.
New Business—			
No. of Policies	71,950	82,350	93,574
Amount	17,274	21,507	24,029
Premiums	12,877	13,183	12,443
Claims	9,456	10,075	13,477
Surrenders	1,967	1,394	1,045
Annuities	239	357	511
Expenses	1,684	1,705	1,607
Life fund at beginning of year	99,018	104,136	111,069
Life fund at end of year	104,136	111,069	113,286
Increase in fund	5,118	6,933	2,217
Ratio of expenses to premium	13.1%	12.9%	12.9%

Industrial Branch.

No. of Policies	2,472,073	2,416,165	2,341,708
Sums Assured	63,609	62,229	60,336
Premiums	19,133	19,514	20,260
Claims	7,368	9,000	8,686
Surrenders	3,592	3,440	3,342
Expenses	4,636	4,658	4,728
Fund at beginning of year	129,868	137,592	145,788
Fund at end of year	137,592	134,788	155,280
Increase in fund	7,724	8,196	9,492
Ratio of expenses to premium	13.1%	12.9%	12.9%

Fire Account.

Premiums	...	819	906	920
Claims	...	431	438	438
Expenses	...	363	384	407
40% reserve for unexpired risks		328	363	372
Additional reserve		361	397	441
Ratio of Claims premiums	...	52.5	48.3	47.2
Ratio of expenses to premium	...	43.1%	42.3%	43.8%
Ratio of reserves to premium	...	84.1%	83.7%	87.5%

Sickness and Accident Insurance.

New Business—

Premiums	...	151	153	181
Claims	...	57	58	59
Expenses	...	53	55	64
40% reserve for unexpired risks		96	98	69
Additional Reserve		73	77	91
Ratio of expenses to premium	...	35%	36%	35.7%

Employer's Liability Account

Premiums	...	88	86	94
Claims	...	50	46	42
Expenses	...	37	39	43
Reserves	...	126	132	135
Ratio of expenses to premium	...	42%	45.3%	45.7%

Marine Account.

Premiums	...	92	75	85
Claims	...	95	63	60
Expenses	...	12	15	17
Reserves	...	431	294	302
Ratio of expenses to premium		13%	20%	20%

Balance Sheet.

(In thousands of £).

Liabilities—	1932	1933	1934
Capital	1,450	1,450	1,450
Life fund	104,136	111,069	113,286
Industrial Assoc. fund	137,592	145,788	155,280
Fire fund	689	760	813
Accident fund	184	190	160
Employers' Liability fund	126	132	135
Marine fund	431	295	302
Other insurance funds	1,671	2,355	3,533
Outstanding claims	730	933	1,155
Other Liabilities	16,686	14,500	14,410
Total	268,695	277,472	290,524

Assets— (In thousands of £).

Properties	101,838	115,910	123,734
Debentures and Preference shares	57,132	62,202	65,967
Other stocks and shares	28,626	29,536	29,188
Loans on company's policies	7,227	7,042	6,617
Other loans and mortgages	45,572	37,877	38,040
House Property	9,097	10,060	8,283
Cash	2,985	3,075	3,482
Other assets	11,228	11,770	15,233
Total	263,695	277,472	290,524

Profit and Loss Account.

Receipts—

Brought forward	1,274	1,420	1,434
Transferred :—			
Ordinary Branch account	...	...	257
Industrial Branch account	1,125	1,125	868
Fire account	65	45	81
Accident account	43	40	41
Employers' Liability account...	7	...	7
Motor insurance account	15	...	22
Sinking fund account	6	9	...
Interest	35	30	16
Other items	...	115	189
Total	2,570	2,784	2,915

Disbursement—

Dividend	1,114	1,314	1,225
Allocations	9	9	215
Other items	27	27	20
Carried forward...	1,420	1,434	1,455
Total	2,570	2,784	2,915

ROYAL EXCHANGE ASSURANCE

(Established 1720)

Calcutta Office: 1-2, OLD COURT HOUSE CORNER.

Bombay Office: ESPLANADE ROAD.

Royal Exchange Assurance Corporation is one of the oldest insurance companies of England and transacts all classes of business, in almost all parts of the world. The accounts of the Corporation for the year 1934 shows definite improvement in the premium incomes of the general branches of insurance, definite improvement except the fire department which has recorded a slight decrease of £30,000. The

life department shows a continuous progress in every respect.

The new business of the life account at £3.748 million has appreciated by £742,000. The expense ratio has increased slightly but this may be attributed to the large new business done during the year. The life and annuity fund has increased by nearly £843,000 to £13.077 million.

The fire premiums have dropped down by £30,000 to £1.432 million but the claims paid have decreased to 42.9 per cent. of the premium income as against 44.4 per cent. in 1933. The trading results show a profit of £142,000 or 9.9 per cent.

The premiums of the general accident department at £1.299 million show an increase of £89,000 over the 1933 figure, but owing to an increase of 2½ per cent. in the loss ratio the account shows an insignificant loss of £4,000. The accident fund at the end of the year stands at £1.513 million or 117 per cent.

The marine premiums have increased by £84,000 to £575,000 and the profits transferred to profit and loss account amount to £25,000. The marine fund stands at £870,000 or 151 per cent. of the premiums income.

Life and Annuity Account

(000-omitted £)

	1932.	1933.	1934.
Number of policies	5,790	5,823	6,375
Sums Assured	2,878	30.06	3,743
Life Premiums	1,044	1,118	1,131
Considerations and Premiums for annuities	362	284	281
Interest and dividends	408	497	474
Claims	547	638	698
Annuities	102	131	152
Commission and expenses (Life)	166	173	201
Percentage of expenses to Annual Premium	16.60	15.5	17.7
Life Fund at the beginning of the year	10,522	11,435	12,234
Life and Annuity Fund at the end of the year	11,435	12,234	13,077
Increase during the year	913	799	843

Fire Account

Premiums	1,673	1,462	1,432
Claims	874	640	614
Commission and expenses	708	723	688
Total Reserves	...	1,185	1,173
Percentage of claims to Premiums	52.25	44.4	42.9
Percentage of commission and expenses to Premiums	47.68	49.5	48.1

General Accident Account

Premiums	...	1,220	1,210	1,299
Claims	..	852	681	763
Commission and expenses		487	403	504
Total Reserves	...	...	1,878	1,518
Percentage of claims to Premiums	...	69.85	56.2	58.8
Percentage of expenses to Premium	...	89.88	40.8	88.9

Marine Account

Premiums	...	640	491	575
Funds	...	864	859	870

Profit and Loss Account

Brought forward	...	...	957	1,046
Interest receipts (excluding Life and capital redemption)	...	200	201	112
Shareholder's life profit	...	39	39	194
Net trading profits	...	222	251	75
Dividend rate % for year	...	27	28	...
Dividend Amount	...	192	192	213
Expenses not departmental	...	85	84	85
Carried forward	...	957	1,046	1,119

The total assets as per balance sheet amounted to £21,078,080 as against £19,017,602 in the previous year.

ROYAL INSURANCE COMPANY

(Established—1845)

Head Office: LONDON.

Calcutta Office: 26 & 27, DALHOUSIE SQUARE.

The Royal Insurance Company occupies an important place amongst the insurance offices which operate on a world-wide scale. The total assets of the company amount to £54.64 million, and this is inclusive of investments to the amount of 10.01 million in allied or subsidiary companies. Taken in conjunction with Liverpool and London and Globe with which the Royal is associated, the group has a premium income of £23.39 million, with total funds amounting to £68.64 million. The reserves are on a strong basis, fire fund being 103 per cent. of the premium income, the marine fund being 187 per cent. and accident fund 98 per cent. The investments of the company have been drastically written down to market value; and in view of the sensational rise which took place in securities in 1932, 1933 and 1934, the Royal should have a substantial inner reserve.

The dividend for 1934 is 6-6 per share less Income-tax.

Life Account.

(In Thousands of £)

	1932	1933	1934
New Business—			
Number	5,529	6,210	7,216
Amount	3,853	3,987	4,660
New Premiums	326	234	271
Total Premiums	1,916	1,868	1,915
Claims	1,648	1,305	1,357
Expenses and commission	229	223	255
Life fund at the beginning of year	21,362	22,271	23,148
Life fund at the end of year	22,271	23,148	23,850
Net increase in the fund	909	877	702
Ratio of Expenses to Premiums	12.0%	11.9%	13.3%

Fire Account.

Premiums	5,740	5,531	5,587
Claims	2,928	2,538	2,361
Expenses and Commission	2,660	2,557	2,609
40% Reserve for unexpired risks	2,296	2,212	2,235
Additional Reserve	3,500	3,500	3,500
Total Reserves	5,796	5,712	5,735
Ratio of claims to Premium	51%	45.9%	42.3%
Ratio of Expenses to premium	46.24%	46.2%	46.7%
Ratio of Reserves to Premium	101%	103.3%	102.6%

Marine Account.

Premiums	918	809	791
Claims	640	228	207
Expenses	216	212	204
Reserves	1,547	1,468	1,481
Ratio of claims to Premiums	69.7%	28%	26.1%
Ratio of expenses to premiums	23.2%	26.2%	25.8%
Ratio of Reserves to Premiums	168.5%	181.5%	187.2%

Accident and General Account.

Premiums	5,061	5,007	5,137
Claims	3,072	2,821	2,765
Expenses and Commission	2,109	2,100	2,149
40% Reserve for unexpired risks	2,025	2,003	2,055
Additional Reserve	3,002	3,002	3,002
Total Reserves	5,027	5,005	5,057
Ratio of claims to Premiums	60.7%	56.3%	53.6%
Ratio of expenses to Premiums	41.7%	41.9%	41.8%
Ratio of Reserves to Premiums	99.3%	100%	98.4%

Balance Sheet.

Liabilities—

Capital ...	2,800	2,800	2,800
Life Fund ...	22,271	23,148	23,850
Annuity Fund ...	2,259	2,448	2,585
Accidents and General Insurance Fund ...	5,027	5,005	5,057
Marine Fund ...	1,547	1,468	1,481
Fire Fund ...	5,796	5,712	5,735
Other Funds ...	3,803	2,290	2,380
Total Funds ...	43,503	40,071	41,088
Outstanding Claims of all Depts. ...	4,646	4,936	4,814
Other Liabilities	3,894	5,590	5,943
Total ...	52,043	53,397	54,645

Assets—

Giltedge Securities	19,991	24,293	26,169
Debentures and Preference shares	13,622	12,824	12,677
Equity Shares ...	4,458	4,372	4,191
Loans on Policies	1,696	1,614	1,526
Other Loans and Mortgages ...	3,321	3,081	3,015
House Property ...	2,600	2,342	2,511
Agents' Balances	2,603	2,435	2,202
Cash ...	2,836	1,357	1,485
Other Assets ...	916	1,079	889
Total	52,043	53,397	54,645

Profit and Loss Account.

Receipts—

Brought Forward	1,399	1,565	1,621
Interest and Dividends ...	1,278	1,215	1,242
Transferred—			
Fire account ...	281	501	595
Marine account	105	73	17
Accident and General Account	34	107	182
Other Items ...	197	41	50
Total ...	3,294	3,501	3,707

Disbursements—

Dividend ...	1,375	1,402	1,426
Allocations ...	155	110	160
Other Items ...	199	368	231
Carried Forward	1,565	1,621	1,890
Total	3,294	3,501	3,707

SCOTTISH UNION AND NATIONAL INSURANCE COMPANY.

(Established 1878)

Head Office: EDINBURGH.

Calcutta Office: 6 LYONS RANGE.

Bombay Office: 16 BANK STREET.

The Scottish Union and National Insurance Company was formed in 1878 by an

amalgamation of two companies, the Scottish Union (founded in 1824) and the Scottish National (founded in 1841). It took over the old City of Glasgow Life Assurance Company in 1913. Besides it controls the Maritime Insurance Company Ltd., American Union Insurance Company of New York and the Central Union Insurance Company. It is one of the few foreign companies that does an extensive life business in India. The accounts of the year 1934 show remarkable results.

The new business of the life department at 3,645 policies assuring a sum of £3.144 million is again a record high figure for the 7th year in succession. The total premiums and the considerations for annuities amount to £910,000 and the life fund has advanced by £161,000 to £11.491 million.

The fire premiums at £1.012 million have increased by £66,000 compared to last year's figure. It is noteworthy that the fire losses have again decreased substantially from 58.7% in 1932 and 50.1 per cent. in 1933 to 41.9 per cent. in 1934 underwriting profits have increased by 1.1 per cents to 8.1 per cent. The fire fund stands at £1.406 million or 139 per cent. of the premium income.

The total premium income of the accident and miscellaneous branches at £275,000 has slightly appreciated over the last year's figure and the combined trading profits amounted to £13,000 or 5 per cent. nearly. The combined funds stand at £241,000 nearly 80 per cent. of the premium income.

The marine premiums hand increased by £4,000 to £303,000 and the trading results enabled the company to release a profit of £40,000 from this department. The marine fund at the end of the year stands at £401,000 or 132 per cent. of the premium income.

The total assets of the company amount to £16.402 million. The Profit and Loss Account shows an available sum of £758,000 including a sum of £480,000 brought forward from last year's account. After the payment of dividends and other allocations a sum of £522,000 is carried forward to the next year's account.

Life and Annuity Account.

New Business—	1932.	1933.	1934.
Number of policies ...	2,834	3,083	3,645
Amount ...	2,537	2,744	3,144
Premium on new business ...	71	94	90
Total Premium ...	737	774	771
Claims and annuities ...	133	885	951
Commission and expenses ...	110	141	146
Life fund at beginning of year ...	11,116	11,116	11,330
Life fund at year-end ...	11,116	11,330	11,491
Increase in fund ...	81	214	161
Ratio of expenses to Premium ...	18%	18.2%	18.9%

Fire Account.

Premium ...	1,051	946	1,012
Claims ...	617	474	424
Expenses ...	485	458	472
Reserve at 50% of Premiums ...	525	473	506
Special reserve ...	900	900	900
Total reserve ...	1,425	1,373	1,406
Ratio of Claims to Premium ...	58.7%	50.1%	41.9%
Ratio of expenses to Premium ...	46.1%	48.4%	46.7%
Ratio of reserve to Premium ...	135.5%	145.1%	138.9%

Accident Account.

Premium ...	28	31	30
Claims ...	12	17	17
Expenses ...	13	13	11
Reserve at 50% of Premium ...	14	15	15
Additional reserve ...	4	6	6
Total reserve ...	18	21	21
Ratio of claims to Premium ...	42.8%	56.1%	58.4%
Ratio of expenses to Premium ...	46.4%	42.5%	38.1%
Ratio of reserve to Premium ...	64.2%	67.7%	70.0%

Employers' Liability Assurance.

Premium ...	50	49	54
Claims ...	24	28	32
Expenses ...	21	21	22
Reserve at 50% of Premium ...	21	22	27
Additional reserve ...	36	34	34
Total reserve ...	57	56	61
Ratio of claims to Premium ...	48.0%	56.1%	59.5%
Ratio of expenses to Premium ...	42.0%	42.2%	41.0%
Ratio of reserve to Premium ...	114.0%	114.3%	113.0%

Marine Account.

Premium ...	362	299	303
Claims ...	227	200	214
Expenses ...	69	77	70
Reserve at 50% of Premium ...	181	150	152
Additional reserve ...	271	271	249
Total reserve ...	452	421	401
Ratio of claims to Premium ...	62.7%	66.9%	70.6%
Ratio of expenses to Premium ...	19.0%	25.8%	23.1%
Ratio of reserve to Premium ...	124.8%	140.8%	132.0%

Miscellaneous Account.

Premium ...	173	172	192
Claims ...	78	78	91
Expenses ...	78	76	81
Reserve at 50% ...	86	86	96
Additional reserve ...	53	57	63
Total reserve ...	139	143	159
Ratio of claims to Premium ...	45.0%	45.1%	47.5%
Ratio of expenses to Premium ...	45.0%	44.1%	42.5%
Ratio of reserve to Premium ...	80.3%	83.1%	82.8%

Balance Sheet as at December 31st.**Liabilities—**

Capital ...	300	300	300
Funds: Life and annuity ...	11,116	11,330	11,491
" Fire ...	1,425	1,373	1,406
" Accidents ...	18	21	21
" Employers' Liability ...	57	56	61
" Marine ...	452	421	401
General reserve fund ...	500	500	500
Other funds ...	608	682	680
Total funds ...	14,176	14,383	14,860
Other items ...	1,530	1,499	1,242
Total ...	16,006	16,182	16,402

Assets—

Giltedge ...	4,718	5,548	5,850
Debentures and Preference shares ...	6,463	6,326	6,341
Equity shares ...	246	239	253
Mortgages and loans ...	2,758	2,403	2,283
Other investments and other items ...	1,442	1,407	1,387
Cash ...	379	259	288
Total ...	16,006	16,182	16,402

Profit and Loss Account.**Receipts—**

Brought in ...	308	460	480
Transferred from fire account ...	60	126	141
Transferred from accident account ...	3	1	2
Transferred from employers' liability account ...	4	3	...
Transferred from miscellaneous account ...	226	23	14
Transferred from marine account ...	50	50	40
Other items ...	78	77	81
Total ...	730	740	758

Disbursements—

Dividend amount ...	148	148	152
Allocations ...	100	52	3
Other items ...	170	60	81
Carry forward ...	312	480	522
Total ...	730	740	758

STANDARD LIFE ASSURANCE COMPANY.

(Established 1825)

Calcutta Office : Standard Buildings,
Calcutta.

The Standard Life Insurance Company is one of the oldest life offices of Scotland, having been established in the year 1825. In 1925 when the centenary of the office was celebrated, the company was converted into a mutual one, the shareholders' capital of £850,000 having been converted into fixed stock bearing interest at 5 per cent. Since then the company has been growing from strength to strength and the new business of the company is increasing rapidly.

The new business of the company for the year ending November 15, 1934 at £5,249 million shows a substantial increase of £1,708 million as compared with the previous year, and this is the highest recorded new-business in the history of the company. The total premiums amounted to £1,473 million, considerations received for annuities were £529,000 and the net interest income exceeded £1 million, yielding a net rate of 4½ per cent. The life fund has been substantially increased by a sum of £728,000 to £23,004 million. The total assets stand at £25,942 million. The expense ratio at 17.9 per cent. shows an increase of 2 per cent. perhaps owing to the big jump in the new business.

Valuation is made annually and the company's reserves are calculated on a 2½ per cent. interest basis with an additional margin that makes it approximately equivalent to one at 2½ per cent. interest—a stronger basis of valuation than that adopted by any other Assurance Company in the world. Yet £85,000 was added to the inner reserves besides producing a surplus of £376,000. But of this surplus a compound reversionary bonus of 42s. per cent. was allotted and a balance of £31,000 is carried forward. The maintenance of this high rate of bonus, the chairman rightly pointed out, was due in a large measure to the cautions and conservative policy, pursued by the company for many years, of transferring a portion of the profits to the reserves.

Fire Account.

(In Thousands of £)

	1932.	1933.	1934.
New Business—			
Number of Policies	4,039	5,866	6,390
Amount Net ...	2,922	3,541	5,249
Net Premium on new business ...	192	176	223
Total Premium ...	1,235	1,272	1,473
Interest ...	994	1,018	1,062
Claims by death ...	575	568	831
„ „ maturity ...	281	271	323
Commission and Expenses ...	195	202	264
Life Fund at beginning of year ...	19,452	21,124	22,336
Life Fund at year-end ...	21,124	22,336	23,064
Increase in Fund ...	1,672	1,212	728
Ratio of expenses to premium ...	15.8%	15.9%	17.9%

Balance Sheet.

Liabilities—			
Life Assurance and Annuity Fund ...	21,124	22,336	23,064
Capital Redemption Assurance and Annuity Certain Fund	698	728	761
General Reserve ...	850	850	850
Perpetual Stock ...	850	850	850
Total Funds ...	23,517	24,765	25,525
Current Liabilities ...	327	306	417
Total ...	23,844	25,071	25,942
Assets—			
Giltedge ...	7,785	9,224	9,914
Debenture and Preference Stocks ...	9,095	9,403	9,912
Ordinary Stocks ...	1,995	2,416	2,414
Mortgages and Loans on Life Interests and Reversions ...	1,511	1,620	1,612
Loans on Policies ...	1,112	1,421	1,222
Other Investments ...	73	643	666
Agents' Balances, ...	...	67	76
Cash ...	278	277	124
Total ...	23,844	25,071	25,942

SUN INSURANCE OFFICE, LTD.

(Established 1710)

Head Office: LONDON

Calcutta Office: 2, HARE STREET

Bombay Office: 24, BRUCE ROAD

The Sun is the oldest insurance office in the world. The company transacts on a world wide scale fire, marine and all branches of general accident insurance. It is connected with the Sun Life Assurance Society which transacts life business within

the United Kingdom. The aggregate premium income of the office from all the 3 departments amounts to £4,675 million representing an increase of £261,000. This is indeed creditable compared to the performances of similar composite office doing business on a wide area. Substantial profits were earned in each section.

The fire premiums at £2,338 millions show a rise of £100,000 compared to the previous year and the loss ratio has fallen still further by .7 per cent. The trading profit of this section at £208,000 has slightly decreased from 11.5 to 8.9 per cent. the total reserves are kept at £2,535 million or 108.4 per cent. of the premiums.

The accident account shows a further substantial rise of £205,000 in the premium income which stands at £1,775 million. Here the loss ratio has increased by 5.9 per cent. to 57.9 per cent. and underwriting profits amounts to £36,000 or 2 per cent. The accident fund at the end of the year is kept at £1,159 million or 65.3 per cent. of the premium income.

The marine premiums at £563,000 is £43,000 lower than in last year. The contribution of this section to the profit and loss accounts amounts to £111,000. The marine funds stand at £947,000 or 168.2 per cent. of the premium income.

The total assets of the office are shown at £10,235 million in the balance sheet. The profit and loss account shows a total available sum of £1,753 million including a sum of £1,159 million brought forward from last year's account. After the payment of dividends to shareholders and other allocations a sum of £1,283 million is carried

Fire Account.

(In Thousands of £)

	1932.	1933.	1934.
Premiums	2,352	2,238	2,338
Claims	1,132	943	969
Expenses	1,106	1,093	1,127
Reserve at 40% for unexpired risk	942	895	935
Additional reserve	1,600	1,600	1,600
Total reserve	2,541	2,495	2,535
Ratio of Claims to Premium	48.1%	42.1%	41.4%
Ratio of Expenses to Premium	47.0%	48.8%	48.2%
Ratio of Reserve to Premium	108%	111.5%	108.4%

Marine Account.

Premiums	...	608	606	563
Claims	...	520	480	441
Expenses	...	60	61	69
Reserve	...	772	772	817
Additional reserve	...	130	130	130
Total reserve	...	902	902	947
Ratio of Claims to Premium	...	85.5%	75.9%	78.5%
Ratio of Expenses to Premium	...	9.9%	10.1%	12.2%
Ratio of Reserve to Premium	...	127%	148.8%	168.2%

Accident Account.

Premiums	...	1,460	1,569	1,775
Claims	...	835	814	1,027
Expenses	...	540	585	646
Reserve for unexpired Risks	...	584	628	694
Additional reserve	...	465	465	465
Total reserve	...	1,049	1,093	1,159
Ratio of Claims to Premium	...	57%	52.0%	57.9%
Ratio of Expenses to Premium	...	37%	40%	36.4%
Ratio of Reserve to Premium	...	71.8%	69.7%	65.3%

Balance Sheet.

Liabilities—				
Capital	...	600	600	600
Funds—				
Fire	...	2,541	2,495	2,535
Accident	...	1,049	1,093	1,159
Marine	...	902	902	947
General Reserve Fund	...	1,000	1,000	1,000
Pension Fund	...	299	309	319
Total Funds	...	5,791	6,000	6,160
Other Items	...	3,891	3,318	3,475
Total	...	9,682	9,918	10,235
Assets—				
Giltedge	...	3,044	3,207	3,441
Debentures and Preference shares	...	2,460	2,263	2,084
Equity shares	...	308	487	726
Mortgages and loans	...	343	480	458
Other Investments and other Items	...	2,717	2,678	2,671
Cash	...	810	823	855
Total	...	9,682	9,918	10,235

Profit and Loss Account.

Receipts—				
Brought in	...	1,081	1,091	1,169
Transferred from Fire account	...	250	338	290
Marine	...	100	109	111
Accident	...	128	162	75
Other Items	...	126	101	118
Total	...	1,685	1,801	1,763

Disbursements—

Dividend Rate ;	53½%	53½%	53½%
„ Amount	244	244	247
Allocations	235	252	100
Other Items	359	146	123
Carry forward	847	1,159	1,283
Total	1,685	1,801	1,753

YORKSHIRE INSURANCE COMPANY

(Established 1824)

Head Office: YORK.

Bombay: 10, BRUGE STREET, FORT.

This company is one of the old established companies of England and it has acquired a number of subsidiary companies which do their business separately but whose accounts are included in those of the Yorkshire. The aggregate premium income of the Company from all departments amounted to £3.561 million as against £3.512 million in 1933 and the total assets stand at £15.001 million as against £14.351 million in the previous year.

The life new business exceeded £2½ million showing an increase of £31,000 over the last year's figure. The life fund has been increased by the substantial amount of £510,000 to £8.957 million. The quinquennial valuation of the life assets and liabilities as on December 31, 1933, has revealed the strong position of the department, disclosing a surplus of £900,000 nearly. Of this sum £611,000 is distributed as bonus to policyholders, £68,000 is allotted as the shareholders' portion of the assets, and £261,000 is carried forward unallotted. The same bonus as that awarded in 1928 maintained and the average rate is 48s. per cent. per annum.

The fire account shows an increase of £13,000 in the premium income which stands at £917,000 and the underwriting profits have slightly decreased to £94,000 or 10.2 per cent. as against 11.8 per cent. in the previous year. The accident premiums at £1.271 million represents an increase of £52,000 over the 1933 figure. The marine premiums at £376,000 are down £6,000 and the amount transferred to the Profit and Loss account from this department amounted to £50,000. The marine fund is kept at the high ratio of 16 per cent. of the premium income.

Life Account.

(In thousands of £)

New Business—		1932	1933	1934
Number	...	2,695	3,073	3,386
Amount	...	1,828	2,549	2,580
Premium on new business	...	114	135	123
Total premiums	...	676	705	710
Interest	...	315	328	354
Claims and annuities	...	463	366	526
Commission and expenses	...	91	98	99
Life fund at beginning of year	...	7,145	7,733	8,447
Life fund at year-end	...	7,733	8,447	8,957
Net increase in life fund	...	588	714	510
premium	...	13.5%	13.9%	13.9%
Ratio of expense to				

Fire Account.

Premiums	...	1,010	904	917
Claims	...	567	449	418
Expenses	...	411	392	400
Total reserve	...	724	682	687
Ratio of claims to premium	...	56.1%	49.6%	45.7%
Ratio of expenses to premium	...	40.7%	43.3%	43.6%
Ratio of reserve to premium	...	71.6%	75%	74.9%

Marine Account.

Premiums	...	443	382	376
Claims	...	353	264	97
Expenses	...	79	72	71
Reserve	...	603	617	607
Ratio of claims to premium	...	79.7%	69.1%	25.8%
Ratio of expenses to premium	...	17.8%	18.7%	18.8%
Ratio of reserve to premium	...	138.4%	161.5%	161.4%

Accident and General Account.

Premiums	...	1,223	1,219	1,271
Claims	...	712	668	727
Expenses	...	511	523	533
Total reserve	...	729	729	752
Ratio of claims to premium	...	58.2%	54.8%	57.2%
Ratio of expenses to premium	...	41.8%	43.0%	41.9%
Ratio of reserve to premium	...	59.6%	59.8%	59.2%

Balance Sheet.**Liabilities—**

Capital	...	290	290	292
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FUNDS—

Life	...	7,783	8,447	8,957
Fire	...	724	682	687
Accident and general	...	729	729	752
Marine	...	603	617	687
Sinking and capital redemption fund	...	421	466	564
General reserve fund	...	1,258	1,074	1,191
Total funds	...	12,269	12,487	12,758
Other items	...	1,444	1,574	1,951

Total ... 13,713 14,351 15,001

Assets—

Giltedge investment	3,713	4,515	4,663
Debentures and Preference shares	2,904	1,787	1,960
Equity shares	88	39	45
Loans on life policies	447	464	440
Other loans and mortgages	2,791	2,774	2,937
Other investments and other items	3,238	4,212	4,351
Cash	532	560	599

Total ... 13,713 14,351 15,001

OCEAN, ACCIDENT AND GUARANTEE CORPORATION, LTD.

The Corporation was founded in 1871, and since that time has made rapid strides in the field of Accident Insurance. It has a world-wide organization whilst in India it has the largest Casualty Insurance income amongst British Offices, and specialises in Motor, Workmen's Compensation and other classes of Accident business.

Accident Account.

	1932	1933	1934
	£	£	£
Premiums	4,470,172	4,429,146	4,770,262
Claims	2,740,765	2,523,999	2,745,477
Expenses	1,912,771	1,878,987	1,914,282
Reserve	3,318,359	3,324,694	3,433,974
Ratio of Claims to Premium	61.31%	56.98%	57.80%
Ratio of Expenses to Premium	42.78%	42.42%	40.1%
Ratio of Reserve to Premium	74.23%	75.06%	72.0%

ASSICURAZIONI GENERALI

The General Insurance Company, Ltd., of Trieste and Venice

(Incorporated in Italy)

Capital fully Paid up
£ 2,000,000
(at Current Sterling Rate
of Exchange)

Annual Premium Income
Exceeds £ 8,000,000



Total Assets at 31-12-34
(at Current Rate of
Exchange)

Exceed £ 30,000,000
Claims Paid
£ 150,000,000

ONE OF THE WORLD'S SOUNDEST AND MOST POWERFUL COMPOSITE
INSURANCE INSTITUTIONS

BRANCH OFFICE FOR INDIA, BURMA AND CEYLON

AT

2, DALHOUSIE SQUARE, EAST : : : : CALCUTTA

Telegraphic Address: "GENERALI"

Telephone: CALCUTTA 1491

INSURANCE SECTION:

REVIEWS OF BALANCE SHEETS

EMPIRE AND FOREIGN INSURANCE COMPANIES

ALLIANZ UND STUTTGARTER LIFE INSURANCE BANK, LTD.

Head Office: BERLIN.

Head Office for India: QUTAB ROAD,
DELHI.

As the title indicates, this concern carries on both insurance and banking business. The company has such large surplus funds that it found it convenient or rather necessary to conduct banking business side by side with insurance. The total assets of the company amount to £54.4 million. An indication of the largeness of the company can be found in the fact that the company has paid claims to the extent of £1.9 million during 1933. Recently the Allianz Und Stuttgarter has extended its business widely and has acquired shares of other life offices, both within Germany and without. The growth of the company within the last few years has been remarkable. In 1926, the total assurance in force was £26 million, and this has increased to £234.6 million by 1933. During the year 1933, especially in its second half, the new business, compared with that of the previous year, has experienced a general increase. Mortality was satisfactory just like in the previous year, the profits on mortality in the direct business amounting to £785,754. The investments of the Company, without the funds of the revalorisation stock, have increased by £3.78 million against the previous year. Profit on investments amounted to £220,953. Including the profit of non-participating business at home and abroad as well as of the reassurance business the total surplus amounted to £2.1 million.

Direct New Business—

		(£ 000's omitted).	
		1932.	1933.
Number	...	189,133	...
Amount	...	20,351	...
Total Business in force	...	232,110	234,611
Profits on mortality in direct business	...	720	786
Total Surplus	...	2,334	2,083

Liabilities—

Share Capital	...	1,429	1,460
Statutory Reserve funds	...	143	146
Net Liabilities	...	32,873	36,570
Reserves for claims pending	...	140	124
Undivided policyholder's profit	...	6,769	7,110
Investment Reserve fund	...	749	1,284*
Miscellaneous Reserves	...	1,286	1,382
Revalorisation stock	...	5,855	4,871
Other items	...	1,896	1,468
Total	...	51,140	54,415

Assets—

		1932.	1933.
Securities	...	10,739	12,030
Bonds of Public bodies	...	3,798	5,762
Loans on policies within their surrender values	...	4,236	4,678
Mortgages	...	23,737	23,702
Real property	...	1,848	2,466
Cash	...	98	106
Other items	...	6,686	5,671
Total	...	51,140	54,415

Profit and Loss Account.

Receipts—

Balance brought forward	37,420	43,395
Premiums	9,803	9,402
Interest, etc.	2,638	2,710
Revalorisation stock	8,999	6,300
Other items	2,154	3,156
Total	60,914	64,963

* Includes also Reserve for real property depreciation.

	1932.	1933.
Expenditures—		
Claims paid ...	1,904	1,987
Surrenders ...	1,611	1,882
Management expenses and commissions ...	1,768	2,127
Undivided policyholders' profit ...	6,769	7,110
Valuation reserve at end of year ...	32,873	36,570
Revalorisation stock ...	8,974	6,299
Net profit ...	214	151
Other items ...	6,801	8,837
Total ...	60,914	64,963

ASSICURAZIONI GENERALI

(The General Insurance Company, Ltd.
of Trieste and Venice.)

(Established—1831).

The Assicurazioni Genetali recently celebrated the 100th anniversary of its foundation, and it can claim to be one of the oldest insurance institutions in Europe. The company has a number of offices in almost all the countries of the world.

The profits for the year 1934 reached about 30,000,000 Lire. The annual premium income of the company exceeds £10,000,000 per year. The investments of the company are distributed in the various countries in which the company operates.

During the past hundred years the company has paid claims to the total value of more than 9,000,000,000 Lire (i.e., about £150,000,000).

The company has recently opened its head office for India, Burma and Ceylon in Calcutta.

Revenue Accounts.

(In Lire 000's omitted).

	1932	1933	1935
Premiums—			
Life Department ...	307,065	263,764	238,808
Fire Department ...	147,053	143,711	148,109
Marine Department ...	80,136	70,019	74,761
Burglary Department ...	13,552	12,677	12,483
Miscellaneous Re-insurances ...	19,394	18,853	19,743
Interest on investments ...	81,331	83,148	78,060
Other income ...	33,472	31,115	36,677
Claims—			
Life Department ...	71,086	64,642	64,378
Fire Department ...	38,776	36,323	36,416
Marine Department ...	13,055	14,824	18,122
Burglary Department ...	2,155	2,199	2,490
Miscellaneous Re-insurances ...	9,158	9,139	9,756

(In Lire 000's omitted).

	1932	1933	1934
General Expenses and commission	125,248	124,700	125,475
Insurance Funds at end of year—			
Life Department ...	1,259,665	1,291,289	1,354,475
Fire Department ...	73,913	76,455	78,419
Marine Department ...	22,665	19,266	20,960
Burglary Department ...	9,631	10,484	10,166
Miscellaneous Re-insurance ...	12,738	12,888	13,455

Balance Sheet.

(In Lire 000's omitted).

Liabilities—			
Capital	60,000	60,000	120,000
Special Reserve Fund ...	50,000	55,000	36,302
Premium Reserves	1,314,851	1,351,256	1,419,543
Reserve for outstanding claims	63,761	59,125	58,932
Other reserves	156,694	189,534	143,528
Other liabilities ...	326,167	315,714	371,171
Total ...	1,971,473	2,030,629	2,149,476

Assets—

Cash ...	138,590	147,271	146,635
Govt., Bonds and Provincial and Municipal Loans	517,380	493,508	512,852
Other bonds, stocks and shares ...	464,665	463,150	525,454
House Property ...	336,764	338,542	435,101
Loans on company's life policies	155,124	148,006	146,979
Other loans and mortgages ...	37,128	36,966	37,466
Other items ...	321,822	353,186	344,989
Total ...	1,971,473	2,030,629	2,149,476

Profit and Loss Items—

Brought forward	853	2,101	2,809
Profits ...	29,707	28,828	30,155
Dividend distribution	21,000	21,000	21,000
Allocation to funds	7,460	7,120	9,588
Carried forward	2,101	2,809	3,376

THE GREAT EASTERN LIFE ASSURANCE CO., LTD.

(Established—1908).

Head Office: SINGAPORE. ...

Calcutta Office: 1, ROYAL EXCHANGE PLACE.

The Great Eastern is one of the big foreign life offices doing extensive business in India. During recent years the company has suffered great setback in the procuring of new business but it is gratifying to note that during the year 1933 the company has considerably

increased (over 50 per cent.) its new business over the 1932 figure.

During the year under review the company booked 2,751 policies assuring a sum of Rs. 81.74 lakhs as against Rs. 54.11 lakhs in the previous year. The total business in force at the end of the year was Rs. 5.24 crores. The total premium income was Rs. 31.85 lakhs and the interest income Rs. 10.04 lakhs. The life fund has been increased by over Rs. 6 lakhs to Rs. 1.86 crores. The assets of the company at the end of the year stand at Rs. 2.12 crores.

(Int thousands of Rs.)
1932. 1933.

New Business—

Number of policies	..	1,987	2,751
Amount	...	54.11	81.74
Total Premiums	..	30.50	31.85
Interest, Dividends and Rents	...	10.25	10.04
Claims	...	12.75	18.55
Commission and expenses	..	9.28	10.04
Amount of Life fund at the beginning of the year		1,72.31	1,80.41
Amount of Life fund at the end of the year		1,80.41	1,86.43
Increase in fund	..	8.10	6.02
Ratio of expenses to premium	...	30.4%	31.5%

Liabilities—

		1932.	1933.
Capital	...	2.65	2.65
Life fund	...	1,80.41	1,86.43
Outstanding claims		4.66	4.86
Reserve fund		14.80	15.39
Other liabilities	...	2.16	2.42
Total		2,04.68	2,11.75

Assets—

Giltedge securities	...	28.86	39.57
Preference and ordinary stocks and shares	...	21.11	24.16
Loans on mortgages	...	97.61	87.12
Loans on Company's policies	...	26.00	28.22
Cash	...	4.82	2.14
Other assets	...	26.28	30.54
Total	...	2,04.68	2,11.75

**THE
NATIONAL MUTUAL LIFE ASSOCIATION OF AUSTRALASIA, LTD.**

(Established—1869).

Head Office: MELBOURNE, AUSTRALIA.

Calcutta Office: CHARTERED BANK BDGS.

Bombay Office: 15, ELPHINSTONE CIRCLE.

The National Mutual of Australasia is one of the soundest and biggest mutual life offices of the world, and does considerable

business in India. The accounts of the Association for the year 1934 show considerable improvement over the figures of 1933. The new policies issued during the year 1934 amounted to 23,056 assuring a sum of £9.120 million as against 18,067 policies assuring £7.577 million, in the previous year. The total premiums received amounted to £3.300 million showing an increase of £62,000. The expense ratio of the Association stands at the low percentage of 12.2. The life fund at the end of the year has been considerably strengthened by £1.608 million to £37.851 million. The total assets of the Association stand at £39.118 million and are distributed scientifically.

(In thousands of £).
1931-32 1932-33 1933-34

New Business—

Number of policies	16,361	18,067	23,056
Amount	6,550	7,577	9,120
Premiums on New business	260	306	393
Total Premiums	3,125	3,238	3,300
Claims by death	869	982	963
" maturity	1,276	1,236	1,170
Commission and expenses	376	387	401
Life fund at beginning of year	...	34,558	35,181
Life fund at the end of the year	...	35,181	36,243
Increase in fund	...	623	1,062

Balance Sheet.

Liabilities—

Life fund	...	35,181	36,243	37,851
Reserve fund	...	661	831	791
Outstanding claims	...	352	418	379
Other items	...	59	55	97
Total	...	36,253	37,547	39,118

Assets—

Government securities	9,262	10,137	11,102
Debentures and stocks	5,910	6,297	6,251
Loans on mortgage ...	8,883	8,780	8,760
Loans on policies ...	6,785	6,815	5,820
Cash ...	1,379	1,563	1,993
Other items	4,034	3,955	5,192
Total ...	36,253	37,547	39,118

SUN LIFE ASSURANCE COMPANY OF CANADA

(Established—1865)

Head Office: MONTREAL, CANADA.

Calcutta Office: DALHOUSE SQUARE, CAL.

Bombay Office: CANADA BLDGS., BOMBAY.

The Sun Life of Canada is one of the largest life insurance companies in the world. It has been established in India for a long time and this accounts for a considerable amount of total India Life

business in force. The popularity of the company has suffered a slight setback recently with the result that its business results show a marked fall in the years 1932 and 1933. But the business prospects have definitely improved towards the close of the year 1933 and the accounts of the company for the year 1934 show that the upward movement has again begun.

The new business for the year 1934 has increased by 1,626 policies and 20 million dollars to 78,652 policies assuring a sum of \$236.2 million and the total premiums received \$104 million are nearly same as in last year. The life fund has been increased by \$36 million to \$569 million.

Among the assets of the company giltedge securities account for nearly 24.5 per cent. of the total assets, policy loans to 15 per cent. and stocks and shares to 45.6 per cent.

Life Account.

(In thousands of \$)

	1932.	1933.	1934.
New Business—			
Amount assured	284,099	216,567	236,216
Premiums on New Business ...	15,179	11,062	13,433
Total Premiums	115,698	103,978	103,845
Interest, Dividends and Rents ...	24,021	23,856	24,385
Total assurance in force ...	2,928,952	2,770,454	2,748,725
Claims by death	25,803	24,134	23,885
Total Claims ...	57,876	47,869	34,099
Expenses and commission ...	22,318	17,712	17,279
Life fund at the end of year ...	515,231	532,954	569,154

Balance Sheet.

Liabilities—			
Capital	2,000	2,000	2,000
Life and Annuity fund ...	515,231	532,953	569,154
Other funds	4,781	4,886	10,963
Claims, surrenders etc. due and unpaid	10,932	10,596	9,189
Other liabilities	78,492	73,711	54,073
Total ...	611,436	624,146	665,379

Assets—

Giltedge Securities	*107,862	*116,009	*162,881
Preference and other stocks ...	312,049	305,220	302,424
Loans on Company's policies ...	99,478	100,981	97,467
Other loans and mortgages	29,897	28,844	27,518
Property ...	27,408	27,983	28,909
Outstanding and deferred premiums ...	19,618	18,286	17,441
Cash ...	5,556	18,201	19,583
Other assets ...	9,568	8,622	9,156
Total ...	611,436	624,146	665,379

* Including Municipal, Public Utility and other Bonds.

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(Established 1859).

The New Zealand Insurance Company is one of the largest foreign insurance companies doing business in India. The company has a number of branches in New Zealand, Australia, America, S. Africa, India and the Far East. During the year under review, the premiums from fire, marine and accident departments amounted to £1,001,328 as compared with £1,008,530 in 1932-33. The profits for the year at £110,593 show an increase of £35,989 over the previous year. Dividend has been declared at 10 per cent. just as in the previous year. But this year being the 75th anniversary of the company, the Directors have declared a further bonus of 2½ per cent.

Underwriting Account.

(In thousands of £)

	1933-34
Fire, Marine and Accident Premiums ...	1,001
Reserve for Unexpired Risks at 31st May, 1933 ...	506
Total ...	1,507
Commissions, Salaries, Directors' Fees and other Expenses ...	292
Government Taxes and Appropriations and Payments to Fire, Marine and Accident Associations ...	45
Fire, Marine and Accident Losses and Appropriations for Unadjusted Losses ...	554
Reserve for Unexpired Risks at 31st May, 1934 ...	506
Balance ...	110
Total ...	1,507

Balance Sheet.

Liabilities—			
Capital	...	...	1,500
Reserve Fund	...	...	500
Reserve for Unexpired Risks	...	...	506
" " Contingencies	...	...	146
" " Investment fluctuation	...	...	53
Other items	...	...	261
Balance	...	...	258
Total ...	...	...	3,224

Assets—

Giltedge and other Securities	...	2,105
Mortgages and deposits	...	206
Shares	...	174
Office Premises and other properties	...	418
Interest and Rents	...	38
Branch and Agency Balances etc.	...	160
Cash	...	123
Total ...	...	3,224

POPULATION STATISTICS

AREA AND POPULATION OF PRINCIPAL COUNTRIES

Countries					Area in Square Miles	Latest Census year	MALES In Millions	FEMALES In Millions	Total population
India	...	...	...	...	1,805,332	1931	181'9	171'1	853'0
Australia	...	...	...	...	2,974,581	1932	3'4	3'2	6'6
Union of S. Africa (Whites only)	...	...	...	...	472,347	1931	'9	'9	1'8
Canada	...	...	...	...	3,729,665	1931	5'4	5'0	10'0
Great Britain and North Ireland	...	...	...	...	94,663	1931	22'1	24'0	46'1
United States of America	...	...	...	...	2,973,776	1930	62'1	60'6	122'8
Brazil	...	...	...	...	3,275,510	1920	15'4	15'2	30'6
Mexico	...	...	...	...	767,198	1930	8'1	8'3	16'4
China	...	...	...	...	4,278,352	1932	.....	.....	474'8
Japan	...	...	...	...	147,592	1930	32'4	32'1	64'5
Germany	...	...	...	...	181,723	1931	31'4	33'3	64'7
France	...	...	...	...	212,659	1931	.....	.....	41'8
Italy	...	...	...	...	119,713	1931	20'1	21'1	41'2
Soviet Russia (U.S.S.R.)	...	...	...	...	8,241,921	1926	71'0	76'0	147'0

Infant Mortality

Death Under One Year for 1,000 Living Births

Countries				Annual Average between 1921-25 1926-30		1929	1930	1931	1932	1933*
(British) India	...	...	...	192	177	178	180	...	...	...
Union of S. Africa (White population only)	...	...	...	73	67	64	67	65	59	60
Canada	...	...	...	98	93	92	89	85	...	...
Australia	...	...	...	58	52	51	47	42	41	39
United Kingdom	...	...	...	78	70	76	63	68	68	66
U. S. A	...	...	...	74	68	68	65	62	59	58
Japan	...	...	...	159	137	142	124	132	118	...
Germany	122	94	96	85	83	79	76
France	95	89	95	78	76	76	75
Italy	126	119	125	106	113

* Provisional figures

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Annual Rate of Excess of Births for 1,000 Inhabitants

Countries			Annual Average between 1921-25 1926-30		1929	1930	1931	1932	1933*
British India	...	...	6'7	9'0	8'8	8'3	9'5	...	...
Union of S. Africa	...	...	17'4	16'4	16'7	16'7	16'0	14'4	14'4
Canada	...	...	16'2	13'0	12'2	13'2	13'1	12'5	...
Australia	...	...	14'4	11'7	10'7	11'3	9'5	8'8	7'9
United Kingdom	...	...	8'0	4'9	3'1	5'1	3'8	3'5	2'4
U. S. A.	...	...	10'7	7'9	7'0	7'6	6'7	6'5	...
Japan	...	...	12'8	14'1	12'9	14'2	13'2	15'2	13'8
Germany	...	...	8'8	6'6	5'3	6'4	4'8	4'3	3'5
France	...	...	2'1	1'4	0'2	2'4	1'1	1'5	0'5
Italy	...	...	12'4	10'8	9'1	12'6	10'1	9'2	10'0

* Provisional figures

Annual Birth Rate for 1,000 Inhabitants

Countries			Annual Average between 1921-25 1926-30		1929	1930	1931	1932	1933*
India (British only)	.	.	32'7	33'2	32'7	32'9	34'3	...	...
Union of S. Africa	.	.	27'1	26'1	26'2	26'4	25'5	24'3	23'7
Canada	...	.	27'4	24'1	23'5	23'9	23'2	22'4	...
Australia	...	..	23'9	21'0	20'3	19'9	18'2	16'9	16'8
U. S. A.	...	..	22'5	19'7	18'9	18'9	17'8	17'4	...
United Kingdom	.	.	20'4	17'2	16'7	16'8	16'3	15'8	14'9
Japan	...	.	34'6	33'4	32'7	32'4	32'2	32'9	31'6
Germany	...	.	22'1	18'1	17'0	17'5	16'0	15'1	14'7
France	...	..	19'3	18'2	17'7	18'0	17'4	17'3	16'3
Italy	...	.	29'7	26'8	25'6	26'7	24'9	23'8	23'5

*Provisional figures

Annual Death Rate for 1,000 Inhabitants

Countries			Annual Average between		1929	1930	1931	1932	1933*
			1921-25	1926-30					
(British) India	...	...	26'0	24'2	24'0	24'6	24'8	...	...
Union of South Africa	...	...	9'7	9'7	9'5	9'7	9'5	9'9	9'3
Canada	...	...	11'2	11'1	11'3	10'7	10'1	9'9	...
Australia	...	...	9'5	9'3	9'6	8'6	8'7	8'6	8'9
United Kingdom	...	...	12'4	12'3	13'6	11'7	12'5	12'3	12'5
U. S. A.	...	...	11'8	11'8	11'9	11'3	11'1	10'9	10'0
Japan	...	...	21'8	19'3	19'8	18'2	19'0	17'7	17'8
Germany	...	...	18'3	11'8	12'6	11'1	11'2	10'8	11'2
France	...	...	17'2	16'8	17'9	15'6	16'3	15'8	15'8
Italy	...	...	17'3	16'0	16'5	14'1	14'8	14'6	13'5

*Provisional figures

The Population of Indian Provinces and States as
per Census of 1931 and 1921

(Population in millions)

			1931 Census			1921 Census		
			Total	Males	Females	Total	Males	Females
Assam	...	...	8'6	4'5	4'1	7'5	3'9	3'6
Bengal	...	...	50'1	26'0	24'1	46'7	24'2	22'5
Bihar and Orissa	...	...	37'6	18'8	18'8	34'0	16'8	17'2
Bombay	...	...	22'2	11'7	10'5	19'3	10'2	9'2
Burma	...	...	14'7	7'5	7'2	13'2	6'8	6'4
Central Provinces and Berar	...	...	15'5	7'8	7'7	13'9	6'9	7'0
Madras	...	...	46'7	23'1	23'6	42'3	20'9	21'4
Punjab	...	...	23'6	12'9	10'7	20'7	11'3	9'4
U. P.	...	...	48'4	25'4	23'0	45'4	23'8	21'6
Baroda	...	...	2'4	1'3	1'0	2'1	1'1	1'0
Gwalior	...	...	3'5	1'9	1'6	3'2	1'7	1'5
Hyderabad	...	...	14'4	7'3	7'1	12'5	6'4	6'1
Kashmir	...	...	3'6	1'9	1'7	3'3	1'8	1'5
Mysore	...	...	6'6	3'4	3'2	6'0	3'1	2'9
Cochin	...	...	1'2	'6	'6	1'0	'5	'5
Travancore	...	...	5'1	2'6	2'5	4'0	2'0	2'0
Total British India	...	...	271'7	140'1	131'6	246'9	126'8	120'1
Total States and Agencies	...	...	81'2	41'9	39'3	72'1	37'2	34'9
Total Indian Population	...	...	353'0	181'9	171'1	319'0	164'0	155'0

Population of the Indian Cities.

	Population in 1931	Population in 1921
Ajmer-Merwara— Ajmer	119,524	113,512
Bengal— Calcutta Proper	1,196,833	1,077,264
Howrah	222,488	193,301
Dacca	138,518	119,450
Bihar and Orissa— Patna	158,230	119,976
Bombay— Bombay	1,157,851	1,175,914
Ahmedabad	310,000	274,007
Karachi	260,639	216,888
Poona	163,100	214,796
Sholapur	135,632	119,581
Burma— Rangoon	400,415	345,621
Mandalay	144,899	148,917
C. P. and Berar— Nagpur	215,003	145,198
Jabulpur	124,469	108,798
Delhi— Delhi	447,442	304,420
Madras— Madras	667,228	526,911
Madura	182,007	138,894
Trichinopoly	141,640	120,422
Salem	102,181	52,244
N.-W. Provinces— Peshawar	121,866	104,452
Punjab— Lahore	429,747	281,781
Amritsar	264,840	160,218
Multan	119,457	84,806
Rawalpindi	119,284	101,142
United Provinces— Lucknow	274,659	240,566
Cawnpore	243,755	216,486
Benares	205,315	198,447
Agra	229,764	185,582
Allahabad	183,914	157,220
Bareilly	144,031	129,459
Meerut	136,709	122,600
Moradabad	110,562	82,671
Baroda State— Baroda	127,327	94,712
Central India Agency— Indore	127,327	93,091
Hyderabad State— Hyderabad	377,006	404,187
Jammu and Kashmir— Srinagar	178,649	141,785
Mysore— Bangalore (including Civil and Military Station)	306,865	237,496
Rajputana Agency— Jaipur	144,179	120,207

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CO-OPERATIVE SECTION :

CO-OPERATION IN INDIA

Contrary to what one might expect from the natural wealth of India, the Indian peasant is steeped in poverty. The danger to the nation as a whole will be evident when the predominance of the agricultural population in India is taken into account. The poverty of the Indian cultivator is due to several causes. The holdings of the cultivators have been subject to frequent fragmentation, mainly due to the Hindu and Mohammedan laws of inheritance, with the result that the average holding has become very small and uneconomic. The Indian cultivator is exposed to the vagaries of the monsoon; but this unfavourable condition has been largely mitigated by the sound policy of irrigation adopted by the State. All these factors have resulted in his heavy indebtedness. Progress is rendered all the more difficult by his illiteracy. The problem of rural uplift is imprisoned in many a vicious circle and it is co-operation that must break all such vicious circles.

It is more than a quarter of a century since the co-operative movement began in India. The movement was largely influenced by the two most outstanding examples in co-operation abroad—Germany and Denmark. Economic conditions in Germany in the middle of the last century, in so far as they affected the agriculturist, were not much different from those in India to-day. The small farmer was exploited by the moneylender. The success of the institutions abroad attracted the attention of those who were anxiously looking for assistance in solving the problem of rural poverty. The Government of Madras took the initiative and Mr. Nicholson who was deputed to study the problem, brought out a very valuable report. In the United Provinces and the Punjab several societies were organised on the initiative of the Government. The Famine Commission of 1901 strongly advocated the establishment of mutual Credit Societies. The recommendations were carefully considered by two committees ; and

these efforts led to the passing of the Co-operative Credit Societies Act of 1904.

The Act provided only for the formation of credit societies. The main reason for this restriction was that in a relatively backward population, the non-credit organisations might encounter too many impediments. Also, special emphasis was laid on rural credit on account of its more urgent character.

The various provincial governments immediately gave effect to the policy of co-operation. A separate department was formed and with the increasing progress, the department grew in numbers and importance. The aim of the department, from the beginning, was to instruct the people as to the benefits of co-operation and train individuals for the task of managing the new societies in accordance with co-operative principles. In the first few years the number of societies grew up slowly, but from 1910 the growth was much accelerated; and soon it exceeded the expectations of its promoters. The credit societies paved the way for societies for distribution and other non-credit purposes. There was a great need for the free supply of capital and improved system of supervision; and various central agencies were established to control and finance the primary credit societies. But these organisations had no legal recognition.

In order to remove the deficiencies of the Act of 1904, a revised Act was passed in 1912, known as the Co-operative Societies Act of 1912. The non-credit forms of co-operation were recognised by this Act. It also recognised the three kinds of central societies as distinguished from primary societies, namely, Unions consisting of primary societies for mutual control and audit ; central banks consisting of societies and individuals and provincial banks consisting of individuals. In certain provinces the unlimited liability societies were allowed, subject to consent by the provincial governments concerned, to declare dividends in view of the importance of share capital.

According to the new Act, the distinction between societies was made on a more scientific basis namely, "limited" and "unlimited liability societies."

The new Act gave a fresh impetus to the movement. New types of societies, such as co-operative produce sale societies, milk supply societies and cattle insurance societies were started; and many of them made good progress. There was a rapid increase in the number of central societies; and the movement was winning the confidence of the public. The Reforms Act of 1919 made co-operation a provincial Transferred Subject; and every province was enabled to make progress on lines best suited to its local needs.

Though the movement has made rapid strides, the progress has not been uniform in the different parts of the country. Bengal, the Punjab and Madras have the largest number of societies while a major province like Bombay and others like Bihar and Orissa, the United Provinces, the Central Provinces, Burma and Assam have a distinctly smaller number of societies. The co-operative movement has also made considerable progress in many of the India Native States. Bhopal and Gwalior have the largest number of societies among the Native States.

In spite of the steady progress of the movement for nearly twenty years, the burden of agriculturist indebtedness has hardly lessened. This is due to the reason that co-operative credit was confined only to short-term loans. To remedy this defect, a Co-operative Land Mortgage Bank was started in Punjab in 1920: and soon the other provinces followed suit. Defaults in repayment of loans and other defects became common. The various provinces established Co-operative Enquiry Committees and certain provinces like Bombay and Madras passed their own Provincial Co-operative Acts.

The non-credit co-operative movement had to encounter more obstacles and its progress was comparatively slow. Co-operative Cotton Sale Societies were established in Karnatak, Guzerat and Khandesh. In Burma cattle insurance societies were established and several co-operative irrigation societies sprang up in Bengal and in Bombay. But the most remarkable form of non-credit co-operation in India is the consolidation of holdings by co-operation in the Punjab. Many important recommendations for the progress of both the credit and non-credit forms of co-operations have been

made by the Royal Commission on Agriculture appointed in 1926 and the recent Indian Central and Provincial Banking Enquiry Committees.

The co-operative movement was much affected by the period of depression. At the instance of the Government of India, an All-India Co-operative Conference was held in January, 1934. The Conference was attended by the Registrars of Co-operative Societies, the Ministers in charge of co-operation of the various provinces and the representatives of the two All-India organisations—the Institute's Association and the Provincial Banks' Association. The Conference recommended the enactment of an All-India Co-operative Societies Act so as to permit the registration of co-operative societies working in the whole of India or in more than one province. It also recommended that the Government should help the development of land mortgage banks by both guaranteeing the interest on their debentures as well as the capital. A third suggestion was the creation of a Central Board in order to bring about a closer co-ordination of work between the different provinces and States of India.

Though the co-operative movement has produced valuable results it has not gone to the root of the economic and social ills from which the country is suffering to-day. But its achievements cannot be denied. "Knowledge of the co-operative system is now widespread; thrift is being encouraged; training in the handling of money and in elementary banking principles is given. Where the co-operative movement is strongly established, there has been a general lowering of the rate of interest charges by money-lenders; the hold of the money-lender has been loosened, with the result that a marked change has been brought about in the out-look of the people."

It must be, however, admitted that all these benefits have been secured only on a small scale. Much remains yet to be attained in the sphere of non-agricultural co-operation. Even agricultural co-operation has been practically confined to the sphere of credit. The various defects in the present working of the movement—such as unpunctuality of payments, unnecessary delay in issuing loans and the appointing of those who are not properly trained for the task should be remedied. In co-operation lies the future of rural India. "If co-operation fails, there will fail the best hope of rural India."

Table I

(a) Number of Societies for all India showing the increase since 1910-11

	Average for 5 years from 1910-11 to 1914-15	Average for 5 years from 1915-16 to 1919-20	Average for 5 years from 1920-21 1924-25	Average for 5 years from 1925-26 to 1929-30	1931-32	1932-33
Central (including Provincial and Central Banks and Banking Unions) ...	231	304	506	587	605	607
Supervising and Guaranteeing Unions (including Re-insurance Societies ...)		688	1,302	1,394	1,091	988
Agricultural (including cattle Insurance Societies)	10,891	25,878	51,716	83,093	93,598	92,749
Non-Agricultural ...	664	1,662	4,183	8,862	10,756	10,918
Total ...	11,786	28,477	57,707	93,936	1,06,050	105,762

(b) Number of Societies by Provinces and States for 1932-33

Province	Population (millions)	Central	Supervising and guaranteeing unions	Agricultural	Non-Agricultural	Total No. of societies	No. of societies per 1 00 000 inhabitants
Bombay ...	21.9	20	119	4,820	921	5,880	26.8
Punjab ...	23.6	119	...	17,726	3,240	2,085	89.3
United Provinces ...	48.4	71	3	5,512	314	5,900	12.2
Bihar & Orissa ...	37.7	67	71	8,599	317	9,384	24.0
Bengal ...	50.1	120	3	21,842	2,185	23,650	47.2
Assam ...	8.6	19	...	1,292	94	1,405	16.3
Burma ...	13.1	11	825	1,849	151	3,536	17.8
Madras ...	46.7	33	405	11,993	1,439	13,870	29.7
Central Provinces & Berar	15.5	36	15	3,748	99	3,898	25.1
N. W. F. Province ...	2.4	1	...	861	20	882	15.9
Coorg ...	0.2	1	13	213	25	252	126.0
Ajmer-Merwara ...	0.6	7	2	571	108	688	114.7
Hyderabad Administered Area	0.1	...	1	...	21	22	22.0
Delhi ...	0.6	1	...	224	58	253	47.2
Total (British India)	269.5	506	937	78,250	8,992	88,705	32.9
Mysore ...	6.6	14	...	1,723	443	2,180	28.0
Baroda ...	2.4	3	1	989	199	1,147	47.8
Hyderabad ...	14.4	36	1	2,180	365	2,582	17.6
Bhopal ...	0.7	22	...	912	20	9,54	136.3
Gwalior ...	8.5	...	...	4,069	41	4,10	117.4
Indore ...	1.3	5	...	618	54	675	51.9
Kashmir ...	8.6	14	...	2,572	357	2,943	31.7
Travancore ...	5.1	1	29	1,401	337	1,768	34.7
Cochin ...	1.2	1	...	137	110	248	20.7
Total (Indian States)	88.8	101	31	14,499	1,926	16,557	42.6
GRAND TOTAL	308.3	607	968	92,749	10,918	105,262	34.1

Table II

(a) Number of Members for all India showing the increase since 1910-11

	Average for 5 years from 1910-11 to 1914-15	Average for 5 years from 1915-16 to 1919-20	Average for 5 years from 1920-21 to 1924-25	Average for 5 years from 1925-26 to 1929-30	1931-32	1932-33
Central (including Provincial and Central Banks and Banking Unions.) ...	23,677	89,925	1,63,822	2,12,093	2,04,740	200,413
Supervising and Guarantee- ing Unions (including Re- insurance Societies) ...		10,971	24,487	34,621	36,510	37,190
Agricultural (including Cattle Insurance Societies) ...	4,59,096	9,02,930*	16,61,098	27,91,562	31,09,383	30,42,468
Non-Agricultural (including other insurance Societies)	89,157	2,26,031	4,93,509	8,97,279	11,84,956	1,240,416
Total Number of Members of primary Societies ...	5,48,253	11,28,961	21,54,607	36,88,341	42,94,389	42,82,884

* Includes members of Cattle Insurance Societies at the end of 1915-16 and 1916-17. and those in Bombay and the United Provinces at the end of 1917-18.

(b) Number of Members by Provinces and States for 1932-33

Province	Population	Central Including (Provincial & Central Banks and Banking Unions)	Supervising & guaran- teeing unions (Incul- ding Reinsurance Societies)	Agricultural (includ- ing cattle Insurance Societies)	Non-Agricultural (In- cluding other insu- rance Societies)	To No. mem- ber prim Socie-	No. of Member's o- primary Socie-ies per 1,000 inhabitants
Madras ...	46.7	16,430	10,363	623,805	269,426	898,231	19.2
Bombay ...	21.9	14,912	3,418	817,448	263,295	580,743	26.5
Bengal ...	50.1	25,143	280	528,439	250,304	778,743	15.4
Bihar & Orissa ...	37.7	11,454	9,721	231,232	23,660	259,892	6.8
United Provinces ...	48.4	10,725	108	117,763	81,164	148,927	8.0
Punjab ...	23.6	35,945	.....	573,756	114,332	688,088	29.1
Purulia ...	73.1	1,683	1,927	41,705	81,376	73,081	5.5
C. P. & Berar ...	15.5	51,399	7,239	55,311	17,822	73,133	4.7
Assam ...	15.6	1,887	.....	52,204	14,079	66,283	7.7
N. W. F. Province ...	2.4	185	.....	10,311	1,576	11,887	4.9
Coorg ...	8.6	840	212	11,769	3,253	15,022	75.1
Ajmer-Merwara ...	0.2	1,646	120	12,739	6,500	19,239	32.0
Hyderabad Administered Area ...	0.1	.....	19	.....	3,541	3,541	35.4
Delhi ...	0.6	489	.....	5,236	4,044	9,280	15.4
Total (British India) ...	269.5	172,243	33,457	2,581,718	1,044,372	3,626,090	13.4
Mysore ...	6.6	3,014	.....	71,134	70,320	141,454	21.4
Baroda ...	2.4	1,513	33	27,532	14,354	41,936	17.4
Hyderabad ...	14.4	4,312	2,067	43,631	17,262	60,893	4.2
Bhopal ...	0.7	2,208	.....	16,332	457	17,239	24.7
Gwalior ...	3.5	7,546	.....	71,132	654	71,836	20.5
Indore ...	1.3	2,113	.....	9,595	7,243	16,843	12.9
Kashmir ...	3.6	3,413	.....	47,040	6,693	53,733	14.9
Travancore ...	5.1	3,390	1,333	162,256	65,501	227,757	44.6
Cochin ...	1.2	151	.....	11,493	13,555	25,038	20.8
Total (Indian States) ...	33.8	29,170	3,733	460,750	196,044	656,794	16.9
Grand Total	303.3	200,413	37,190	3,042,468	1,240,416	4,282,884	13.8

Table III

(a) Working Capital for all India showing the increase since 1910-11

	Average for 5 years from 1910-11 to 1914-15.	Average for 5 years from 1915-16 to 1919-20.	Average for 5 years from 1920-21 to 1924-25.	Average for 5 years from 1925-26 to 1929-30.	1931-32.	1932-33.
	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R((1,000)	R(1,000)
Share capital paid up ...	88,87	2,51,97	5,25,66	9,94,17	12,63,60	12,90,59
Loans and deposits held at the end of the year from Members ...	88,28	96,35	2,54,45	5,08,42	6,88,12	7,58,01
Loans and deposits held at the end of the year from Societies ...	1,93,42*	47,81	1,49,98	2,92,88	3,50,98	4,15,29
Loans and deposits held at the end of the year from Provincial or Central Banks ...		5,03,19	12,29,88	24,62,43	27,96,65	27,24,19
Loans and deposits held at the end of the year from Government ...	10,87	25,58	67,69	1,68,84	1,68,72	1,66,56
Loans and deposits held at the end of the year from Non-Members and other sources ...	1,41,98	4,70,25	10,96,22	23,59,69	28,58,57	29,85,94
Reserve and other Funds ...	25,00	1,28,32	3,12,88	7,18,21	11,43,51	12,58,31
Total	5,48,42	15,18,47	36,36,26	74,89,13	92,69,15	95,88,89

*Includes loans from Provincial or central Banks.

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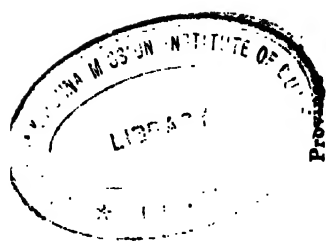
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(b) Working Capital by Provinces and States for 1932-33

Loans & Deposits held at the end of the year from

	Population	Share Capital	Members.	Societies	Provincial or Central Banks	Nonmembers and other sources	Government	Reserve and other funds	Total	No. of annas per head of population.
	Milns.	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)	R(1,000)
Madras	46.7	2,80.21	1,12.86	1,12.82	5,14.63	50.80	5,84.71	1,55.36	17,80.39	59
Bombay	21.9	1,96.37	3,26.16	1,10.98	8,14.46	48.03	4,63.89	1,21.57	5,80.91	115
Bengal	50.1	2,12.54	1,10.26	30.01	5,83.41	59	6,03.92	2,19.00	17,09.73	54
Bihar & Orissa	37.7	57.45	17.76	4.17	2,29.58	51	1,99.70	62.21	5,71.83	24
United Provinces	48.4	60.75	13.36	3.99	49.58	16	48.80	49.89	2,26.03	7
Punjab	28.6	1,94.74	66.86	77.91	6,06.41	11.94	5,95.55	3,19.09	18,72.50	137
Burma	18.1	83.79	19.15	6.22	86.40	9.24	18.77	72.77	2,46.34	90
C. P. & Berar	15.3	84.51	5.05	81.82	2,10.78	12	1,80.96	75.72	5,88.99	53
Assam	8.6	7.92	9.35	2.06	19.41	81	80.72	13.19	83.46	15
N. W. F. Provinces	2.4	2.55	1.11	4.4	4.89	...	5.89	98	15.86	11
Coorg	0.2	2.98	35	82	2.81	11	2.67	8.08	12.2	102
Ajmer-Merwara	0.6	6.96	5.43	2.08	10.53	...	15.45	10.33	50.93	135
Hyderabad Administered Area	0.1	2.22	4.71	.....	.....	18	85	43	7.69	126
Delhi	0.6	2.89	2.11	10	7.41	...	11.26	3.17	26.67	71
Total (British India)	269.5	10,92.88	6,84.10	3,32.87	25,40.30	1,02.49	27,62.24	11,06.29	86,73.90	51
Mysore	6.6	50.40	28.87	9.29	29.96	8.94	72.56	28.08	2,23.10	54
Baroda	2.4	6.85	12.82	2.67	12.82	8.25	23.61	11.58	73.40	43
Hyderabad	14.4	48.66	5.48	8.32	74.96	8.97	52.57	34.54	2,23.30	25
Rhopal	0.7	1.23	2	27	7.40	8.88	1	8.64	20.95	48
Gwalior	8.5	15.82	1.81	9.87	...	8,206	11,59	23.62	94.77	48
Indore	1.3	4.77	8.29	89	13.85	2.80	18.37	12.33	63.30	78
Kashmir	3.6	27.63	14	1.29	29.35	4.46	18.91	19.89	1,01.67	45
Travancore	5.1	35.93	8.07	2.39	10.23	...	18.98	9.58	85.18	26
Cochin	1.2	3.37	3.41	2.43	3.79	26	7.10	6.26	24.52	32
Total (Indian States)	38.8	1,94.71	68.91	32.42	1,84.16	1 56.56	2,23.70	1,32.02	9,09.99	38
Grand Total	308.3	12,90.59	7,53.01	4,15.29	27,24.19	54.07	29,85.94	12,38.31	95,83.89	49



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